

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

REPORT
relating to
CONSTRUCTION OF STATE HEAD OFFICE, AUSTRALIA POST,
PRINCE ALFRED PARK CENTRE, 219-241 CLEVELAND CENTRE,
REDFERN, NSW

(Second Report of 1988)



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MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

(Twenty-Ninth Committee)

Mr Colin Hollis, MP (Chairman)

Mr Percival Clarence Millar, MP (Vice-Chairman)

Senate

Senator Bryant Robert Burns
Senator John Robert Devereux
Senator Dr Glenister Sheil

House of Representatives

Mr Maxwell Arthur Burr, MP
Mr George Gear, MP
Mr Robert George Halverson,
OBE, MP
Mr John Graham Mountford, MP

EXTRACT FROM THE
VOTES AND PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES
NO. 21 DATED TUESDAY, 3 NOVEMBER 1987

- 12 PUBLIC WORKS COMMITTEE - REFERENCE OF WORK - STATE HEAD OFFICE, AUSTRALIA POST, PRINCE ALFRED PARK CENTRE, REDFERN, NSW: Mr West (Minister for Administrative Services), pursuant to notice, moved - That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Construction of State Head Office, Australia Post, Prince Alfred Park Centre, 219-241 Cleveland Street, Redfern, NSW.

Mr West presented plans in connection with the proposed work.

Debate ensued.

Question - put and passed.

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PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

CONSTRUCTION OF STATE HEAD OFFICE, AUSTRALIA POST,
PRINCE ALFRED PARK CENTRE, 219-241 CLEVELAND STREET, REDFERN, NSW

R E P O R T

By resolution on 3 November 1987 the House of Representatives referred to the Parliamentary Standing Committee on Public Works for consideration and report the construction of State Head Office, Australia Post, Prince Alfred Park Centre, 219-241 Cleveland Street, Redfern, NSW.

THE REFERENCE

1 This proposal provides for the reconstruction of the Prince Alfred Park premises (the former Redfern Mail Exchange) by demolishing the existing building down to the top of the first floor slab and constructing a five-storey office block. The reconstructed premises, to be known as the Prince Alfred Park Centre, will provide accommodation for:

- . NSW Head Office administration;
- . regional office personnel;
- . postal training school;
- . electronic mail acceptance centre;
- . regional post office;
- . engineering workshops, and
- . car parking.

2 The building will have an area of 47,000m² and is planned to meet estimated needs until the year 2000.

3 The estimated cost of the proposed work when referred to the Committee was \$62m at September 1987 prices.

THE COMMITTEE'S INVESTIGATION

4 The Committee received written submissions and plans from Australia Post and the Department of Administrative Services (DAS), and took evidence from representatives of the two organisations at a public hearing in Sydney on 2 December 1987.

5 The Committee also received verbal evidence from a representative of the Sydney City Council.

6 A list of witnesses who appeared at the public hearing is at Appendix A.

7 Prior to the public hearing the Committee inspected the former Redfern Mail Exchange and existing facilities at the Sydney GPO.

8 The Committee's proceedings will be printed as Minutes of Evidence.

BACKGROUND

9 The NSW head office of Australia Post is presently located in the Sydney GPO complex.

10 The Sydney GPO complex consists of a vacant site, formerly occupied by the recently demolished John Sands building and three buildings - the historic 1887 post office, and the 1927 and 1942 additions. The major part of the building is occupied by administrative staff. The building also houses the main postal hall, philatelic services (temporarily located in leased premises), a city delivery centre and private mail boxes.

11 The 1887 building has been entered on the Register of the National Estate and its historical classification prevents this section of the GPO site being redeveloped.

12 In 1985 the Australian Postal Commission agreed in principle to permanently relocate the NSW head office off the Sydney GPO site to allow its redevelopment. Having regard to the need to continue providing postal services to this prestige area of the Sydney Central Business District (CBD), it was agreed that the city delivery centre, together with a large private box installation and counter services should remain at the existing GPO location.

13 Australia Post informed the Committee that when difficulties were encountered in disposing of the former Redfern Mail Exchange property, agreement was reached in April 1986 that detailed design work and staff consultation should proceed towards refurbishment of the building to house the NSW head office administrative staff and other operational activities.

THE NEED

14 The Sydney GPO complex has reached a stage where a major refurbishment is required, if it is to continue in use. The 1887 building must be vacated to permit the carrying out of works necessary to provide adequate fire protection, replace obsolete and sub-standard building services and refurbish the building to a safe working environment in keeping with its historical character. Australia Post assured the Committee that the redevelopment of the site and refurbishment of the 1887 building will not adversely affect its National Estate significance.

15 Australia Post stated that redevelopment of the remainder of the GPO site has been the subject of extensive studies and a number of options had been considered. However, all of the options required the administrative staff to be moved from the site and this, combined with the high cost of relocation, has led to the conclusion that the move of the administrative staff should be a permanent one.

16 Australia Post believes that the best available option is to relocate the NSW head office to the reconstructed former Redfern Mail Exchange building.

Alternatives Examined

17 Australia Post advised that other alternatives examined were:

- . placing all administrative staff in leased premises at a single location;
- . the decentralisation of administrative staff using three separate locations strategically placed to satisfy operational needs, and
- . continuing to use the existing GPO complex.

18 Relocation to a single location proved impractical due to the unavailability of suitable premises within or on the periphery of the Sydney CBD, as well as the increased cost compared with the proposal before the Committee.

19 While the securing of satisfactory premises could have proved difficult, the decentralisation alternative was not pursued because:

- . accommodation costs would be significantly higher;
- . the placement of head office staff at a number of locations impedes satisfactory communications, makes administration more difficult, degrades the standard of customer service and increases operating costs, and
- . the NSW administrative staff will in the future

undergo significant organisational changes as a result of devolution, technological change and efficiency initiatives. These changes could be absorbed more flexibly in a single State head office accommodation that allows for easy movement of staff and the ability to sub-lease any excess office space in the future.

20 Continued use of the existing GPO complex could not be supported because of the increased cost associated with the use of a very valuable CBD property for administrative functions that could be more appropriately sited, and the need to use the surplus property to fund the proposed works. Australia Post stated that high maintenance costs also militate against the continued use of the older buildings.

Committee's Conclusion

21 There is a need to relocate administrative staff from the Sydney GPO complex to allow its redevelopment. Australia Post proposes to refurbish the historic 1887 building to enable the continued provision of postal services to the Sydney CBD and is considering the disposal of the remainder of the GPO site. The proposal to redevelop the former Redfern Mail Exchange as an administrative centre is the most efficient and cost effective of the alternatives examined by Australia Post.

THE PROPOSAL

22 To meet its estimated needs until the year 2000, Australia Post proposes to redevelop the former Redfern Mail Exchange property to provide 47,000m² of office space to house some 1,782 staff.

23 The site of 21,400m² is located some 2.5km south of Sydney GPO on the fringe of the CBD. It is bounded by Cleveland,

Chalmers and Pitt Streets and has excellent vehicle access. The site is also well served by rail and bus services and is centrally located in the metropolitan transport network.

24 The property is separated from the CBD by Central Railway Station and Prince Alfred Park, which dominates this precinct. Generally two-storey terraced housing exists to the south, east and west, whilst there is a mixture of old and refurbished commercial buildings and modern medium density housing along Chalmers and Elizabeth Streets to the north east.

25 Although the land is zoned 'Residential 2B', the Sydney City Council has raised no objections to the proposal which has a lower height and less bulk than the existing building.

26 DAS in its submission stated that the design concept involves demolition of the existing top five floors above the first floor slab. The basement and ground floor of the existing building will be retained and will form the sub-structure for the five new office floors. In keeping with the present structure, the new works will be of reinforced concrete construction. Tinted double glazed windows will reduce glare and noise to improve the working environment. Building services plant including air-conditioning, exhaust systems and lift motor rooms will be located at roof level.

27 DAS stated that detailed technical investigations indicate that it would be practical to restore and refurbish the premises, but the costs involved would exceed those required for reconstruction and provide less usable floor space.

28 The proposed reconstructed premises will provide space to cater for administrative and other postal facilities for a period of 10 years from the anticipated date of occupation in January 1991.

29 The building will be occupied by NSW State head office administrative staff, postal training school, electronic mail acceptance centre, regional management, regional post office, engineering workshops and car parking. Space has been allocated as follows:

	m ²
. administrative staff	21,340
. postal training school	1,300
. electronic mail acceptance centre	645
. regional management	1,000
. regional post office	960
. engineering workshops	5,765
. car parking	6,950
. common use areas including amenities, foyer and communications room	1,540
. service areas including plant rooms, loading dock, garbage collection and core areas	7,320

30 The reconstructed premises will provide accommodation complying with all the relevant codes. Particular attention will be paid to the provision of facilities for those who will use the premises including staff, the public and handicapped persons.

Future Expansion

31 Australia Post informed the Committee that its staff in NSW will undergo significant organisational changes resulting from devolution, technological innovations and management initiatives to increase efficiency. However, while these factors will reduce the ten year staff growth rate of 1.36 per cent it is estimated that the assessed personnel total of 1,640 in 1991 will grow to 1,782 by the year 2000.

32 Australia Post advised that its staff numbers have

continued to increase due to the sustained growth in posted mail and the introduction of new services notwithstanding the uncertain economic environment and advances in automation. While it is considered unlikely that staff numbers will expand faster than the predicted rate, additional accommodation, if needed, can be provided by either constructing at the rear of the existing building or by a further rationalisation of activities. Australia Post also indicated that should any surplus accommodation become available then this would be leased to other organisations.

CONSTRUCTION

33 The existing footings and retained sub-structure have the capacity to support the proposed building loads and where possible will be retained and re-used. The basement and ground floor will also be retained. The building will be designed for general office floor loadings while provision will be made for higher superimposed loads in specific areas for roofs, foyers, balconies, compactus installations, workshops and plant rooms.

Internal Finishes

34 It is proposed that the finishes will be a mixture of painted off-form concrete, blockwork and cement render. Suspended acoustic tile ceilings have been selected for office and amenities areas.

35 Generally, floors will be carpeted in administrative areas and areas where functions such as electronic mail acceptance and postal training occur. Vinyl tiles will be provided in lunch/recreation areas while other amenities areas will have limited tiled walls and floors. A concrete trowel finish will be provided to the car park and granolithic paving in the engineering workshops and plant rooms.

Mechanical and Electrical Services

36 Air-conditioning is to be provided in accordance with established guidelines of air quality and thermal and acoustic comfort for Commonwealth office accommodation. Plant design and construction will conform to currently accepted good commercial practice and applicable fire safety provisions. Proven energy-saving measures will be included where economically justified - e.g. outside air economy cycles and subdivision of the system for partial (out-of-hours) occupation of the building.

37 Two existing chillers will be incorporated with the new plant.

38 The Committee was told that the workshops airhandling system, and the air-conditioning for the mainframe computer area is not included in this proposal, but will be dealt with as part of the fitout.

Electrical Services

39 Power supply will be from the existing Sydney County Council HV switchroom via two existing basement substations which are the property of Australia Post. Each substation houses three 750 kVA transformers which will provide sufficient capacity for the new development. Externally, low-level decorative and security lighting will be provided together with emergency and exit lighting throughout the building in accordance with current Australian Standards.

40 An emergency warning, evacuation and intercom system will be installed throughout the complex.

Lifts

41 The existing lifts and escalator services are considered unsuitable and will be replaced by three new 20-passenger lifts. A goods lift will also be installed.

Hydraulic Services

42 The existing water supply is adequate for domestic and fire fighting purposes. Fire hydrants will be supplied directly from the Metropolitan Water Sewerage and Drainage Board water main. A conventional gravity flow type sewerage system will connect all plumbing stacks and sanitary fixtures.

Fire Protection

43 There is no statutory requirement to protect the building with sprinklers; however, the existing sprinkler service will be retained for the basement and ground floors and upgraded to meet current Australian Standards.

44 There will be a two hour fire separation between floors. Upper floors will have very early warning detectors in strategic areas and manual call points, all linked in with control of air-conditioning to minimise spread of smoke. As the height of level five above the lowest floor will not exceed 25 m there is no requirement to pressurise stairs.

45 Fire hose reels and fire extinguishers will be provided throughout the building.

Asbestos Removal

46 Australia Post advised that a survey of asbestos had been carried out by an accredited consultant. The survey indicated

that there is limited asbestos in some of the insulation around the boilers and asbestos-based fibres in the vinyl floors. Australia Post assured the Committee that all asbestos can be safely removed within the allowed cost estimate.

Landscaping

47 A grid planting layout will be provided along the side boundaries of the forecourt while tall palms will provide an axial focus for the main entry. Wide entry paths and large deciduous trees will identify pedestrian movement to the entry lobby.

Fitout Costs

48 Australia Post stated in its submission that fitout costs for the project have not been accurately determined due to:

- . the recent introduction of a revised organisation for the NSW State head office. Management is now reviewing previous staffing estimates with a view to aligning them with the revised structure. Until this work is completed it will not be practical to determine the number and type of positions to be provided;
- . the uncertainty that exists about future specific requirements of the administrative functions and other facilities. At least three years will elapse prior to the premises being occupied during which time new initiatives could emerge and the demands of existing services alter significantly;
- . consideration currently being given to changes in the work place. The latest proposal under consideration calls for the introduction of 'work

stations' which standardise to a very large extent the space provision, layout and equipment that will be provided for all officers thereby facilitating any subsequent rearrangements and reducing or at least containing costs. In accordance with accepted agreements, consultation with staff organisations will take place before any change is implemented, and

- a detailed survey will be undertaken before commissioning to identify the furniture and equipment which is suitable for transfer to the new location and new items which must be obtained.

49 DAS informed the Committee that while it regarded the estimate for fitout of \$12m as being of preliminary estimate standard it did regard fitout costs as part of the reference to the Committee. However, the Committee is of the view that because of the uncertainty regarding Australia Post's fitout requirements that this aspect should be referred to the Committee as a separate project.

Committee's Recommendation

50 The Committee recommends that the fitout of the Prince Alfred Park Centre should be referred to it when Australia Post has finalised its fitout requirements.

Security

51 Australia Post and DAS informed the Committee that appropriate security features will be installed to protect the environs, the building and its contents, particularly computer facilities and security systems. Adequate illumination will be provided externally with particular attention being accorded the driveways and vehicle parking areas.

Access Roads and Parking

52 Local authorities have agreed that the main vehicular access will be from Chalmers Street with separate access from Pitt Street for Post Office customers and service vehicles.

53 Off-street parking for 12 vehicles will be provided in front of the building for customers using postal services and also for the public visiting the Prince Alfred Park Centre on official business. Parking for 100 Australia Post vehicles and 198 private staff vehicles will be provided in the basement.

Amenities

54 The proposal has been designed in accordance with the code 'Provision of Amenities in Australia Post Establishments' issued in June 1987 after approval by management and endorsement by staff organisations. Particular emphasis has been placed on access for handicapped persons.

55 A cafeteria will be provided which can accommodate 300 persons, the assessed maximum number of staff on a meal break at any one time. A counter service for machine vended light refreshments will also be available.

Consultations with staff and staff associations

56 The proposed redevelopment has been discussed by Australia Post with staff and staff organisations. As part of the consultative process staff were invited to view an audio/visual presentation. Some 800 staff attended the briefing sessions.

57 Australia Post informed the Committee that at the time of the public hearing no objections had been received and that consultations with the staff and staff organisations will continue throughout the further development of the project.

Authorities Consulted

58 DAS informed the Committee that the following authorities and organisations had been consulted in the development of the proposal, none of which raised any objections:

- . Council of the City of Sydney;
- . Sydney County Council;
- . Metropolitan Water Sewerage and Drainage Board;
- . NSW Department of Environment and Planning;
- . Department of Main Roads;
- . Commonwealth Department of the Arts, Sport, the Environment, Tourism and Territories;
- . Australian Council for Rehabilitation of the Disabled (NSW), and
- . Disabled People's International (NSW).

ENVIRONMENTAL CONSIDERATIONS

59 Australia Post advised the Committee that a Notice of Intent had been submitted to the Department of Arts, Sport, the Environment, Tourism and Territories. The Department advised Australia Post that an Environmental Impact Statement was not required.

COMMUNITY INTEREST GROUPS

60 Australia Post in its submission stated that discussions and a detailed briefing have been held with community interest groups. Their one major reservation is the amount of traffic that could be generated in Pitt Street which they would prefer closed.

61 Following discussions with the Sydney City Council a plan has been developed making it possible for Pitt Street to be closed to vehicular traffic at a convenient point beyond the designed entrance to the Australia Post site. It is proposed that

vehicular traffic in Pitt Street will be limited to those persons needing to gain access to the regional post office and administrative services and a limited number of service vehicles. It is understood that the Sydney City Council plan will be submitted to the State Government for approval.

62 In a submission to the Committee, Redfern Community Concern put the view that the landscaping should be continued in front of the building into Prince Alfred Park by creating a tunnel for Cleveland Street under the landscaping. Redfern Community Concern believes that this would benefit the local area as well as linking the new building directly with the park and thereby with Central Station and the city. It would also help to reduce the negative impact of heavy traffic along Cleveland Street.

63 The Committee notes that Australia Post has had informal discussions with Redfern Community Concern regarding its suggestion and will consult with officers of the Sydney City Council regarding the provision of suitable pedestrian access.

FINANCIAL ASPECTS AND CONSTRUCTION PROGRAM

Cost Control

64 DAS advised the Committee that the successful and timely completion of this project will be interrelated with the close scrutiny of expenditure. It will require cost planning and cost control in order to achieve accurate quantification and progressive and final evaluation of the project with detailed regard to:

- advice on suitability of tenders, tenderers and trade contractors;
- estimates and preparation of cost plans including alternatives and their implications;
- cost of variations;
- cost of likely increases in labour, materials and plant hire, and

- . cost of contractual disputes and their repercussions.

Construction Program

65 The building is scheduled for completion by late 1990.

LIMIT OF COST

66 The limit of cost estimate for the proposal is \$62m at September 1987 prices but does not include:

- . professional fees (estimated at approximately \$8m), and
- . fitout costs (estimated at approximately \$12m - see paragraphs 48-50).

67 The limit of cost estimate covers the following works:

- . demolition of five floors of the existing building;
- . construction of five new office floors and roof plant room;
- . construction of three service cores to all levels;
- . gutting the two lower levels to provide car parking to the basement and accommodation to the ground floor, and
- . earthworks and landscaping.

68 The Committee was informed by Australia Post that the proceeds from the sale of the surplus GPO site will be used to finance both this project and the reconstruction and refurbishment of the Sydney GPO 1887 rectangle.

Committee's Recommendation

69 The Committee recommends the construction of the Prince Alfred Park Centre at an estimated cost of \$62m.

CONCLUSIONS AND RECOMMENDATIONS

70 The conclusions and recommendations of the Committee and the paragraph in the report to which each refers are set out below:

- | | <u>Paragraph</u> |
|---|------------------|
| 1. THERE IS A NEED TO RELOCATE ADMINISTRATIVE STAFF FROM THE SYDNEY GPO COMPLEX TO ALLOW ITS REDEVELOPMENT. | 21 |
| 2. AUSTRALIA POST PROPOSES TO REFURBISH THE HISTORIC 1887 BUILDING TO ENABLE THE CONTINUED PROVISION OF POSTAL SERVICES TO THE SYDNEY CBD AND IS CONSIDERING THE DISPOSAL OF THE REMAINDER OF THE GPO SITE. | 21 |
| 3. THE PROPOSAL TO REDEVELOP THE FORMER REDFERN MAIL EXCHANGE AS AN ADMINISTRATIVE CENTRE IS THE MOST EFFICIENT AND COST EFFECTIVE OF THE ALTERNATIVES EXAMINED BY AUSTRALIA POST. | 21 |
| 4. THE COMMITTEE RECOMMENDS THAT THE FITOUT OF THE PRINCE ALFRED PARK CENTRE SHOULD BE REFERRED TO IT WHEN AUSTRALIA POST HAS FINALISED ITS FITOUT REQUIREMENTS. | 50 |
| 5. THE COMMITTEE RECOMMENDS THE CONSTRUCTION OF THE PRINCE ALFRED PARK CENTRE AT AN ESTIMATED COST OF \$62m. | 69 |



Colin Hollis
Chairman
Parliamentary Standing Committee on Public Works
Parliament House
CANBERRA ACT 2600

18 February 1988

APPENDIX A

WITNESSES

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APPENDIX B

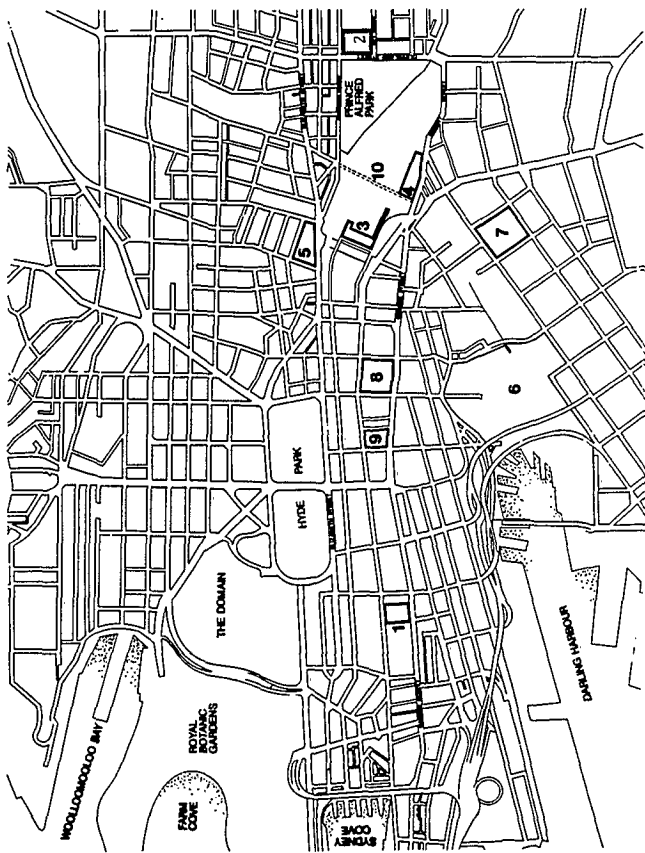
ILLUSTRATIONS

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LOCATION PLAN

- 1 G.P.O.
- 2 Proposed site
- 3 Central Station
- 4 S.F.A. Development
- 5 Centennial Plaza
- 6 Darling Harbour
- 7 Sydney Technical College
- 8 World Square Development
- 9 Camperdown Tower
- 10 Devonshire Tunnel

0 250 500 metres



SITE PLAN

SITE PLAN

- 1 Australia Post Head Office
- 2 Vacant site
- 3 Landscaping
- 4 Post office carpark
- 5 Prince Alfred Park
- 6 Bus taxi set down
- 7 Covered access
- 8 Access to parking
- 9 Courtyard

