

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S PORTFOLIO

Group: 3

Program: Other Agency

Question No. SBE14/200

Senator Xenophon asked the following written question from the 20 November and 11 December 2014 hearings.

Despite its initial schedule to be ready for occupation in 2012, and the official opening on July 23, 2013, I understand ASIO only took possession of the building on August 7, 2014.

According to reports, the construction process has been plagued by problems – several glass panels falling off, fireproofing not meeting building standards and the installation of air-conditioning and a hot water system needing rectification.

There was also the ABC's Four Corners program report last year that alleged the building's blueprints had been stolen in a cyber-attack believed to have been mounted by hackers in China.

1. Can you clarify these issues and advise of any other specific reasons for the delays in completion of the project?
2. As you would be aware, the project was originally budgeted in 2008 to cost \$606 million.
 - a. How much has been spent to date on the project?
 - b. How much more money is budgeted for the completion of the fitout?
3. With regards to missed deadlines and reports of problems with the construction process – eg. Glass panels, fireproofing, air conditioning etc –eg. Glass panels, fireproofing, air conditioning etc –have these issues resulted in additional cost for the Government, or have these costs been borne by the contractor/s?

According to a news report in The Sydney Morning Herald on August 12, 2014, ASIO advised it needed three months to complete the fitout, after which staff can begin to move in.

4. Have specific time frames been established for completion of the fitout. If so, when is the deadline for completion of the fitout?
5. How long is the expected relocation of staff expected to take? Why?
6. What measures are in place to ensure the continued effectiveness of ASIO's operational capabilities during the relocation?
7. When does ASIO expect the building will be fully operational as intended?

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

1. The initial slippages in the construction schedule were linked to the collapse of a major sub-contractor, the Hastie Group.

Rectification of issues identified during the commissioning of critical building services and security systems delayed the final completion of the building.

In relation to the ABC Four Corners program report, as the previous Director-General stated in past estimates “*ASIO cannot comment on operational intelligence matters . . . the security of the ASIO building is and will meet the very high standards that are required of a building of that nature*”. However, it should be noted that no aspect raised in that program had any impact on the construction schedule.

2. a) As of 30 November 2014, the total project expenditure was \$666,504,687 (excluding GST).
b) No additional money is budgeted for the completion of the fit out.
3. The contractor has borne the cost risk associated with the additional time required to complete the building. The cost of finalising air conditioning installation as a result of the insolvency of the mechanical subcontractor is being met by the Commonwealth. The cost of rectifying other building defects is being met by the contractor.
4. The fit out required to enable staff relocation to commence was completed in early October 2014, at which point the relocation of staff commenced.
5. ASIO’s relocation into the Ben Chifley Building and hand back of existing ACT premises currently is expected to take 15 months from the time the building was handed over, which equates to October 2015. The duration of the relocation is driven by its complexity and the requirement for ASIO to continue to perform its responsibilities throughout the period of the relocation.
6. ASIO’s planning for relocation included analysis of critical security intelligence functions and their business continuity requirements. Relocation activities have been developed around ensuring there are minimal disruptions to these functions.
7. The building currently is fully operational.