



**Australian Government
Department of Foreign Affairs and Trade**

**AUSTRALIAN EMBASSY
BEIJING, CHINA**

**EXTENSION AND REFURBISHMENT OF THE
CHANCERY**

**STATEMENT OF EVIDENCE FOR PRESENTATION TO
THE PARLIAMENTARY STANDING COMMITTEE ON
PUBLIC WORKS**

**OVERSEAS PROPERTY OFFICE
SEPTEMBER 2006**

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Identification of the need

1. Project objectives

- 1.1 The Department of Foreign Affairs and Trade (DFAT) seeks approval from the Parliamentary Standing Committee on Public Works (PWC) to proceed with the construction of an extension and internal refurbishment of the Australian chancery in Beijing.
- 1.2 The proposed extension will meet the increased office requirements of Australian Government agencies represented in Beijing. The agencies are:
- DFAT
 - Australian Trade Commission (Austrade)
 - Australian Agency for International Development (AusAID)
 - Australian Centre for International Agricultural Research (ACIAR)
 - Australian Customs Service (ACS)
 - Australian Federal Police (AFP)
 - Department of Agriculture, Fisheries and Forestry (DAFFA)
 - Department of Defence
 - Department of Education, Science and Training (DEST)
 - Department of Immigration and Multicultural Affairs (DIMA)
 - Department of the Treasury
 - Invest Australia.
- 1.3 Under the Administrative Arrangements Order of 26 November 2001, DFAT is responsible for “overseas property management, including, acquisition, ownership, and disposal of real property”. The current project is to be undertaken by the Department’s Overseas Property Office (OPO), which manages the overseas estate, and will be funding and constructing the works.

2. Background

- 2.1 The Australian Government pursues constructive and friendly relations with China on the basis of mutual respect and recognition both of our shared interests and our differences. China’s importance to Australia has grown with China’s increasing economic, political and strategic weight in the Asia-Pacific region and the global economy. Two-way trade has increased significantly over the past decade, and China is now Australia’s second-largest merchandise trading partner. Australia maintains a wide range of bilateral dialogues with China covering aid, trade and economic

cooperation, resources, defence, regional security and disarmament, human rights and consular matters.

- 2.2 As a consequence of Australia's rapidly growing relationship with China, and the resulting increased need for office space and services for Australian government agencies represented in Beijing, space available in the chancery no longer meets requirements.
- 2.3 The chancery is part of a compound constructed by the Australian Government in 1992 to provide office, representational and residential accommodation for Australian agencies in Beijing. The compound comprises the chancery itself, providing approximately 4,500 square metres of office accommodation, a head of mission residence and 35 residential apartments.
- 2.4 The total site of approximately 15,000 square metres is located in the Sanlitun diplomatic area. The chancery and residential accommodation are owned by the Australian Government. The site is leased to the Australian Government until 2072, with an option to extend for a further 90 years, as part of a reciprocal exchange of sites for diplomatic purposes agreed with the Chinese Government in 1982. The building has many outstanding features and is representative of Australia's close past and present relationship with China.

3. Need

- 3.1 Pressures on space have characterised the chancery since it was completed. Other compound space has been allocated to meet the needs of agencies, beginning with the allocation of two residential apartments to AusAID as offices and the conversion of the chancery auditorium to office space.
- 3.2 A prefabricated two-storey annex, of light weight construction, was built in 1997 to meet rapidly growing needs, providing an additional 300 square metres of office accommodation. Both the chancery and the annex are crowded, with significant pressures on the building and building services and increased additional pressures from security requirements. The current layout has evolved in an ad hoc way and does not meet modern and efficient workplace practices.
- 3.3 The residential apartments being used as offices do not meet requirements. Their layout, services and finishes were designed for residential living. Minor works have been undertaken to improve facilities

but these have essentially been makeshift.

- 3.4 The annex building is linked to the chancery at one level only with a narrow circular staircase providing access between levels. It does not meet Building Council of Australia (BCA) or disability access requirements. The heating, ventilation and cooling systems are inadequate because of overcrowding. Lighting and acoustics are below standard for an office environment.
- 3.5 In May 2003 OPO engaged Beijing based architects, Robarts Interiors, to undertake a space analysis and building compliance assessment of the chancery. The consultancy included condition and compliance audit inspections of the premises and an analysis of present and future accommodation requirements, including the consolidation of its tenancies.
- 3.6 The final consultancy report identified a net shortfall of 1,085 square metres of office space as well as poor efficiency of space usage and inadequate meeting and conference facilities. It also identified BCA and services inadequacies associated with using some of the apartments as offices, and universal dissatisfaction with amenity in the annex.
- 3.7 The 2003 report was revised in September 2005 by Australia-based consultants Bligh Voller Nield (BVN) Architects who were commissioned to review costs and confirm the scope of the preferred option in this proposal. The report confirmed the findings of the 2003 Robarts Interiors report.

4. Options considered and comparative costs

- 4.1 In developing this proposal, DFAT considered three options to enhance operational effectiveness. These were:
 - do nothing;
 - relocate some embassy functions to leased accommodation away from the current compound; or
 - construct additional suitable accommodation on the compound.
- 4.2 The option to expand and upgrade existing accommodation was preferred.

5. Reasons for adopting preferred option

- 5.1 Advantages of constructing an extension to the existing chancery and refurbishing the entire building are that it would:
- provide efficient, high quality, purpose-built office accommodation and representational facilities that meet the current security, operational and building code requirements of the embassy;
 - ensure that all agencies are collocated on the compound, thereby minimising security and communication costs and administrative inefficiencies associated with splitting functions at separate locations;
 - maximise the value and use of the existing site; and
 - provide the opportunity to consolidate current tenant accommodation within the chancery and its extension.

6. Description of proposed construction

- 6.1 The proposed extension of the chancery will be at three levels, interconnecting with the existing building and providing integrated functions and communication.
- 6.2 The mid-life refurbishment involves upgrading existing accommodation and engineering services to current environmental and performance requirements for commercial office accommodation. Services that do not comply with current Australian building codes and standards will be upgraded.
- 6.3 The proposal involves demolishing the existing substandard temporary annex and two apartments and adding an extension to the main building with a gross area of approximately 2,400 square metres, equating to a net area of 1800 square metres at a building efficiency of 75 per cent. This comprises new office space of 1,085 square metres and 675 square metres to replace office space lost through demolition of the existing annex and the two apartments currently used as office space. The proposed construction will therefore increase the chancery's available space by approximately 1,085 square metres of net lettable area, which would meet the identified current and future accommodation shortfall.
- 6.4 The proposal provides for suitable temporary accommodation for the ongoing operations of the mission during construction. It will be necessary

to relocate some agencies to temporary accommodation away from the compound during the project. Provision has been made in this proposal to lease and adapt commercial premises for the duration of the works to meet this need.

7. Environmental impact assessments

- 7.1 The construction involved does not require an environmental impact assessment.
- 7.2 The removal of any hazardous material will be undertaken in accordance with relevant legislation and approved safe work practices. A hazardous materials audit of the building structure will be carried out concurrently with the development of this proposal and any necessary remedial action will be undertaken in conjunction with these works.

8. Heritage considerations

- 8.1 There are no heritage considerations associated with the refurbishment of the existing chancery. The building does not have heritage listing.
- 8.2 The building façade and general architectural treatment of the extension will be coordinated with the design philosophy of the existing chancery. Issues of moral rights associated with the design of the chancery will be addressed in works documentation by the project design consultant.
- 8.3 The refurbishment of the facility will not impact adversely on the current streetscape and local authorities will be consulted on approval requirements during design development.

9. Stakeholder consultation

- 9.1 Detailed consultations have been held with tenant agencies in formulating this requirement. A comprehensive accommodation brief has been produced by an independent consultant in conjunction with the post and has been used as the basis for the functional planning of the proposal. The planning has been accepted by tenant agencies, the head of mission and embassy staff, who support the need for the new accommodation and consolidation of chancery functions.

10. Revenue derived from the project

- 10.1 Memoranda of Understanding (MOU) arrangements are currently in place

with tenant agencies, with the majority due to expire in June 2008. New leasing arrangements will need to be agreed for refurbished accommodation, which will be available after expiry of the current MOU. Occupying agencies will be charged rents consistent with the market rate for comparable quality local office space and costs of construction, providing an appropriate return on investment as required under the *Australian Government Property Ownership Framework*.

Technical Information

11. Location

- 11.1 For a description of the property, see paragraphs 2.3 and 2.4.

12. Scope of work

- 12.1 The proposed works involve the demolition of an existing temporary annex building and two apartments and the construction of an extension to the chancery building. Spaces within the new floor of the building will be allocated to tenants on the basis of current requirements in a functional layout that meets their operational needs.
- 12.2 Refurbished and new access control, security, and secure communications systems will be installed in accordance with DFAT security and data/communications briefs.
- 12.3 New office fit-outs for the tenant agencies will be undertaken, as required, concurrently with the reconfiguration of accommodation within the building.
- 12.4 New mechanical, electrical and plumbing (MEP) services will be provided to the new extension. Existing MEP services within the main chancery building will be decommissioned, inspected and replaced or repaired as necessary.
- 12.5 Essential refurbishment of the mechanical, electrical, fire and standby power systems will be undertaken.
- 12.6 The works will require that some agencies move out of the chancery during construction and appropriate temporary accommodation will be provided as part of the proposal.

13. Site description

- 13.1 The Sanlitun area of Beijing is predominantly a diplomatic and commercial area with some high-density residential development. The range of buildings includes nearby commercial office buildings and embassies.
- 13.2 The chancery site has well established pavements and landscaping that are generally in good condition and will be retained, with the exception of some modification to accommodate access to the new extension and adjacent landscaping.

14. Zoning and approvals

- 14.1 The site is held on a diplomatic lease (see paragraph 2.4).
- 14.2 The Beijing building control authorities will be consulted during the design development phase and appropriate approvals will be sought as part of the project development process. Provision has been made within the project program to avoid likely prohibition on construction during and in the lead-up to the Beijing Olympics, which commence in August 2008.

15. Land acquisition

- 15.1 The project will not require the purchase or lease of additional land or titles.

16. Applicable codes and standards

- 16.1 It is intended that the project will be delivered in accordance with the Building Code of Australia (BCA) and relevant Australian standards, or local (or international) standards where they are deemed to be of a higher or more relevant standard.
- 16.2 The design and construction of the works and services will conform to:
- the Building Code of Australia
 - *Occupational Health and Safety Act 1991*
 - Beijing City Council requirements.
- 16.3 The later detailed design stages of the project will incorporate the requirements of the *Disability Discrimination Act 1992*. Particular attention will be given to equality in access to premises and amenities.

17. Planning and design concepts

Architecture

- 17.1 The chancery, which was built in 1992, was completed to a high standard, using high quality, low maintenance materials and finishes both externally and throughout the interior. It presents a prestigious external appearance that is carried through into the representational spaces of the building. Apart from the need for mid-life refurbishment, the chancery remains in generally very good condition. Given regular routine maintenance following a recent project to refurbish the façade and major building elements, and after the refurbishment and extension to be provided under

this project, it will provide high quality accommodation for a further 25 years.

- 17.2 The interior design of the proposed extension fit-out works will be undertaken respecting the qualities and design style of the existing building. Where possible, existing high quality areas, materials, and finishes will be retained. The new work will be clearly, but subtly expressed, using forms, materials and finishes that are in harmony with the existing building. An Australian theme will be expressed by use of a range of high quality Australian materials and finishes in representational areas.
- 17.3 The new extension will create safe, flexible and pleasant workspaces and, within the physical constraints of the existing building, floor layouts will be made as efficient and practical as possible.

Structure

- 17.4 The extension will incorporate conventional reinforced concrete as the primary structural form for floors, columns and load bearing walls in keeping with local building practice. The roof of the extension will be of comparable construction to the existing chancery being a concrete roof with an insulation and waterproofing system overlain by protective concrete paving tiles.
- 17.5 Live loads will be in accordance with Australian loading codes and tenant specific requirements. Consideration will be taken of local site conditions including wind and seismic forces appropriate to the location.
- 17.6 The existing main chancery structure is sound and was designed in accordance with relevant Australian Standards and Codes applicable when the building was designed in 1992.

Materials and finishes

- 17.7 The finishes for the extension will be consistent with the high quality finishes of the existing chancery.
- 17.8 The materials for the extension and new office fit-out will be consistent with adjoining existing high quality materials, which require a minimum life cycle maintenance regime. The ceilings, walls, floors, joinery materials and finishes will generally be of the same quality and consistency applied to contemporary Australian office accommodation.

Mechanical services

- 17.9 The original plant design was very sound, appropriate for the purposes of the chancery at the time, and has been well maintained. This proposal extends the existing ducted heating, ventilation and air conditioning system to the proposed new wing in a similar configuration to the rest of the building.
- 17.10 The existing air handling and cooling tower systems will be upgraded where necessary to meet the demand requirements of the extended building. The existing chilled water plant is to be replaced under the current maintenance plan and the new chillers to be installed will meet the demand requirements of the extended building. This will include provision of ozone friendly refrigerants and cooling water treatment that meet current Australian standards.
- 17.11 The existing Building Management System (BMS) has been well maintained and upgraded to meet the technical and operational standards required. The existing system will be maintained and expanded as necessary to meet the requirements of the new building.

Hydraulic services

- 17.12 The existing hydraulic systems will be upgraded to current standards and new plumbing and drainage systems will be provided to all washrooms and kitchens in the new extension.
- 17.13 Specific upgrade works proposed include the provision of improved hot water circulation, replacement of damaged insulation and removal of rust from pipe work and provision of anti-syphonic traps to all washbasins.

Electrical services

- 17.14 The two incoming 10kV 3Ph supply lines are more than adequate to meet the peak demand requirements of the compound. The supply is from the local Power Supply Bureau. In addition, there are also three back-up generators providing emergency power to computer systems, essential MEP equipment and the apartments.
- 17.15 Switchboards will be upgraded using modern circuit breakers and will be arranged in accordance with current wiring rules and the current Building Code. All power supplies to washrooms, laundries and kitchens will be protected by earth leakage circuit breakers in accordance with current Australian wiring rules.

- 17.16 Energy efficient lighting will replace existing wall-mounted lights and incandescent light bulbs.
- 17.17 The existing distribution boards are in good condition and will be retained with modifications necessary to suit the refurbished and extended building.
- 17.18 An intelligent lighting control system will be installed to further improve the energy efficiency of the interior lighting system.

Communications

- 17.19 Secure data communications conduit systems will be provided to the new extension in accordance with the detailed DFAT secure communications brief to allow future installation of secure communications systems by DFAT.

Lift services

- 17.20 A new lift will be provided in the new wing and the existing lift in the chancery will be maintained.

Civil works

- 17.21 Other than access for construction, excavations for foundations for the new extension and reconstitution for landscaping, no civil engineering works are proposed as part of this project.

Landscaping

- 17.22 No specific landscape works are proposed as part of this project, with the exception of make-good work in the vicinity of the foundations of the proposed extension.

Operation, maintenance and warranties

- 17.23 The Works Contractor will provide operation and maintenance manuals. The manuals will contain equipment data, supplier identification, specifications, recommended maintenance procedures and manufacturers manuals. As-built services and architectural drawings will be incorporated into the final construction completion report.
- 17.24 Warranties will be provided in the name of the Commonwealth of Australia.

18. Acoustics

- 18.1 The existing building currently suffers from poor acoustic performance due mainly to poor sound attenuation between public and office areas and deficiencies in the air distribution system. These issues will be addressed as part of the refurbishment works.
- 18.2 In all areas of the design and construction of the proposed extension and of the new consolidated fit-out, careful consideration will be given to the provision of high quality acoustic environments. The specific requirements of AS/NZS2107:2000 '*Acoustics – Recommended Design Sound Levels and Reverberation Times for Building Interiors*', in terms of acoustic performance will be implemented.

19. Energy conservation measures and targets

- 19.1 Energy conservation will be an important design consideration in the works. All building services to be upgraded will incorporate energy efficiency measures. Energy targets will be based on the consumption rates developed by the Property Council of Australia.
- 19.2 Active energy conservation measures to be incorporated in the refurbishment design include:
- Air to air energy recovery heat exchangers in the ventilation system;
 - In high occupancy areas such as function or meeting rooms, automatic reduction in supply air quantities at times of low occupancy;
 - Time scheduled control of the mechanical services;
 - Use of energy reduction control algorithms to control the mechanical plant;
 - Replacement of the existing lighting with energy efficient lighting; and
 - Provision of a lighting control system to ensure lights are only used when required.

20. Master planning and site planning

- 20.1 The chancery building is an existing facility and this proposal does not propose any additions or the incorporation of facilities that require master planning or site planning consideration. The extension will replace an existing annex and two apartments.

21. Provision for people with disabilities

- 21.1 The existing chancery makes provision for people with disabilities, including car parking and ramped access to the main entry. The proposed extension includes the provision of disabled toilets on all levels and lifts serving the public areas.

22. Heritage issues

- 22.1 There are no known heritage issues restricting the extension of the existing chancery.

23. Child care provisions

- 23.1 There are no dedicated childcare facilities in the chancery.

24. Fire protection

- 24.1 The existing fire protection services in the building include a fire sprinkler system, fire detection and alarm system, hydrants and hose reels, and emergency evacuation lighting. The proposed mid-life upgrade and refurbishment work includes upgrading the fire protection systems to comply with the BCA, Local Authority requirements, and with specialist requirements for a chancery building.
- 24.2 The existing sprinkler fire hose reel and hydrant systems will be upgraded to comply with current requirements, and altered where necessary to suit the extension works.

25. Security

- 25.1 Security works and security related requirements are being developed in conjunction with the Diplomatic Security Branch (DSB) of DFAT and provision is made for the incorporation of secure zones for computer hardware.
- 25.2 Occupant security and public interface with embassy staff will be reviewed and appropriate levels of separation will be provided.

26. Occupational health and safety

- 26.1 Compliance with the requirements of occupational health and safety (OH&S) legislation (*Occupational Health and Safety Act (Commonwealth Employment) 1991*) is an important issue for the building owner and its tenants. OH&S issues are to be included as a specific component for consideration in the detailed design of the project.
- 26.2 OH&S issues will be particularly important during the construction stage of the project, as the chancery and adjacent apartments will remain occupied and functional during the length of the project. OH&S risks will therefore apply to not only construction workers, but potentially to building occupants, apartment tenants and the general public who may be visiting the chancery as part of its normal ongoing operations. Appropriate OH&S work practices will be implemented. The project works contractor will be required to implement a project specific OH&S management plan including safety induction training for the building's tenants.

27. Authorities consulted

- 27.1 Investigations of authority approval processes have been undertaken relating to this kind of refurbishment works. Informal consultations with the China Building Control Authority have provided necessary feedback to ensure compliance with local council requirements. Ongoing consultation with the Chinese Diplomatic Services Branch and local authorities will be undertaken during the design phase of the project to ensure that relevant local legislative requirements are met.

28. Local impact

- 28.1 To minimise disturbance to staff and internal users of the building, the contractor will be required to develop a noise management plan including a means to monitor internal building noise, and to schedule high noise activities out of hours.
- 28.2 The local community impact of this project is anticipated to be low as the site is currently being used as an embassy, and is in keeping with the local zoning and development requirements. Community consultation for this project, therefore, will be essentially limited to the statutory requirements pertaining to the Parliamentary Standing Committee on Public Works hearings.

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- 28.3 Project signboards will be erected at the site.
- 28.4 The majority of the construction work force will be from China. Varying resource levels of the construction work force will be employed during the refurbishment phase; up to 100 workers will be on site during the project. The local economy will benefit during the construction and defects liability period, by way of employment of local people on the site, and many more involved in the supply of goods and services off-site.
- 28.5 Where specialised material or equipment is not readily available in China, Australian or internationally acceptable manufactured products will be imported for use in the project. The Industry Development and Government Purchasing guidelines will be implemented where appropriate.
- 28.6 As the site is located within an area containing several foreign missions and residential complexes, the following site and traffic control measures will be implemented during construction:
- works contract construction working hours limited to 0730 to 1800 hrs Monday to Friday and 0830 to 1800 on Saturdays, subject to internal noise considerations that may (by exception) vary this;
 - noise levels surrounding the site monitored and restricted to 80dbA; and
 - construction traffic movement will be controlled to avoid conflict with the peak traffic flow times and to comply with local government restrictions on heavy vehicle movement in the precinct.

29. Project cost estimates

- 29.1 The project out-turn cost estimate of the proposed works is AUD21.61 million, based on August 2005 prices. The out-turn cost estimate includes escalation from August 2005 to August 2008, construction and other related elements such as consultants' fees, project management, supervision and site office expenses.
- 29.2 The estimate does not include the provision of loose furniture, artworks or white goods. However, modification, adjustment or construction associated with individual workstations is included.

30. Delivery methodology

- 30.1 Following a complete analysis, a traditional style of design, documentation, tendering and contracting has been selected as appropriate for this project. This represents the best value for money for the Australian Government, and allows DFAT, as the building owner, to be fully in control of all the project delivery stages.
- 30.2 A single contract will be awarded for the construction works and the fit-out works. Tenders will be called from a selected list of contractors, short-listed on the basis of pre-qualifications received. The advertising for pre-qualifications will be called both in Australia and China.

31. Construction program

- 31.1 Under the master control program the design development phase will be completed in December 2007. Subject to Parliamentary approval, the tendering phase is planned to begin in January 2008 with construction works starting in September 2008. The anticipated date for practical completion is October 2010 with the Final Certificate at the end of the defects period in October 2011. This program has been developed to ensure that the level of disruption to the embassy is minimised for the duration of the Beijing Olympic Games in August 2008.

32. Design drawings

- 32.1 The following attached sketch design drawings have been prepared to illustrate and define the proposal:
- Site Plan
 - Proposed Level 2 Existing Chancery Plan
 - Proposed Level 2 Extension Plan
 - Proposed Level 3 Existing Chancery Plan
 - Proposed Level 3 New Wing Plan
 - Proposed Level 4 Existing Chancery Plan
 - Proposed Level 4 New Wing Plan
 - Architect's Rendering of Proposed Extension.