

Parliamentary Standing Committee on Public Works

REPORT

on works in connection with the

STRATPLAN COMPUTER CENTRE MELBOURNE, VICTORIA

(Fourth Report of 1983)



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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA 1983

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

R E P O R T

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STRATPLAN COMPUTER CENTRE

Melbourne, Victoria

(Fourth Report of 1983)

Australian Government Publishing Service
Canberra 1983

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE
ON PUBLIC WORKS

(Twenty-Seventh Committee)

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John Saunderson, Esq., M.P.

PUBLIC WORKS COMMITTEE ACT 1969
ORDER UNDER SUB-SECTION 18(4)

I, SIR NINIAN MARTIN STEPHEN, the Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, in pursuance of Sub-Section 18(4) of the Public Works Committee Act 1969, hereby, by this Order, declare that the public work described in the schedule be referred to the Parliamentary Standing Committee on Public Works for consideration and report.

SCHEDULE

STRATPLAN COMPUTER CENTRE, MELBOURNE, VICTORIA

L.S.

Given under my Hand and the
Great Seal of Australia
on 28 July 1983

N.M. STEPHEN

Governor-General

By His Excellency's Command,

C.J. Hurford

Minister of State for
Housing and Construction

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C O N T E N T S

	<u>Paragraph</u>
THE REFERENCE	1
THE COMMITTEE'S INVESTIGATION	3
BACKGROUND	
Department of Social Security	7
Existing Computer Facilities	11
Stratplan	16
Future Upgrading	24
Timing	26
Committee's View of Stratplan	31
Committee's Conclusions	33
THE NEED	
Existing Accommodation	35
Accommodation Requirements	43
Future Use of Present Accommodation	50
Committee's Conclusions	52
THE BUILDING	
134 Ferrars Street, South Melbourne	55
Alternatives Considered	64
Committee's Conclusions	68
THE PROPOSED WORK	
The Proposal	70
Committee's Conclusion	78
LIMIT OF COST ESTIMATE	79
GENERAL OBSERVATIONS	
Department of Administrative Services	
Submission	80
Purchase of the Building	85
Committee's Conclusions	90
PROGRAM	92
RECOMMENDATIONS AND CONCLUSIONS	93

	<u>Page</u>
 <u>APPENDIX A</u>	
ESTIMATED COST OF OPTIONS CONSIDERED	
Commonwealth-owned Premises compared with	
Preferred Option	23
Leased Premises Option	24
ASSESSMENT OF OPTIONS	25

	<u>Paragraph</u>
 <u>APPENDIX B</u>	
CONSTRUCTION	
General Design Parameters	1
Building Works	2
Electrical Services	5
Mechanical Services	9
Fire Protection	13
Security	16
External Works	17
Environmental Impact	18
Consultations with Authorities	19

ILLUSTRATIONS

Locality Plan	A
Ground Floor Plan	B
First Floor Plan	C
Sections	D

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

STRATPLAN COMPUTER CENTRE, MELBOURNE, VICTORIA

R E P O R T

On 28 July 1983, His Excellency the Governor-General in Council referred to the Parliamentary Standing Committee on Public Works for consideration and report to Parliament the proposal for works in connection with the Stratplan Computer Centre, Melbourne, Victoria.

The Committee has the honour to report as follows:

THE REFERENCE

1. The proposal is for alterations to an existing building at 134 Ferrars Street, South Melbourne, to accommodate a major computer facility and support services and functions as a component of the Australia wide "Stratplan" computer network of the Department of Social Security.
2. The estimated cost of the proposed work when referred to the Committee was \$2.2 million at June 1983 prices.

THE COMMITTEE'S INVESTIGATION

3. The Committee received written submissions and drawings from the Department of Social Security, the Department of Housing and Construction, and the Department of Administrative Services and took evidence from their representatives at a public hearing held in Canberra on 5 September 1983.

4. A written submission was also received from Mr and Mrs A. Bower, residents living in the vicinity of the proposed Computer Centre.

5. On 11 August 1983 the building located at 134 Ferrars Street, South Melbourne, was inspected by Mr J. Saunderson, M.P., on behalf of the Committee. Subsequently, Mr Saunderson presented a report on his inspection to the Committee.

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

BACKGROUND

7. Department of Social Security The Department of Social Security is responsible for the administration of a national income maintenance and welfare system. It operates through a central administration located in Canberra which is its central planning, co-ordinating and controlling point, a State headquarters in the capital city of each State, and a network of smaller regional offices located in suburban and country areas.

8. Programs administered by the Department range from direct cash payments to individuals, through to grants to organisations, and direct welfare services.

9. Cash payments to individuals provided under the Social Security Act, are: Age Pensions, Invalid Pensions, Widow's Pensions, Funeral Benefits, Unemployment, Sickness and Special Benefits, Supporting and Special Benefits, Supporting Parent's Benefits, Family Allowances, Orphan's Pension, Handicapped Child's Allowance, Family Income Supplement, Mobility Allowance and Rehabilitation Allowance.

10. The Commonwealth Government also provides financial assistance to eligible organisations such as other levels of government and non-profit organisations (e.g., religious, ethnic, or ex-servicemen organisations). These organisations in turn administer welfare services for specialised target groups such as migrants, handicapped persons, aged persons and homeless persons.

11. Existing Computer Facilities The Department of Social Security has been using computers since the late 1960s, and the present Melbourne computer, a Natsemi AS3000N, is of a standard commensurate with the technology available and in line with the Department's requirements at that time.

12. During the 1970s major restructuring took place within the Department, with a large number of regional offices opened as the main point of contact with clients. There have also been substantial increases in recipients of benefits such as aged pensions and unemployment relief, and many changes in Social Security legislation resulting in new operational activities and Departmental functions.

13. To cope with the development of new services and changes in operations since the 1960s, there have, over the years, been a number of equipment upgrades and the development of new computer systems. However, the basic system design has remained the same. These systems have now largely become obsolete and

increasingly difficult to maintain. Also, most of the Department's computer centres are now operating near the limits of their capacity.

14. The main inadequacies in the present computer system in terms of service to clients are the severely limited access it provides to data and the slow response it has to changes in client circumstances.

15. To answer a client query now, such as the typical "Where is my cheque?", it is necessary to consult one or a number of microfiche that have first to be loaded into a viewer then scanned to locate and extract the relevant data from among all the general purpose data they contain. The microfiche are produced for the State headquarters computer centre and sent by courier to each regional office. They accurately reflect the masterfile at the time they are produced but not any subsequent updates. If any delays occur in the delivery of microfiche then regional offices will have out-of-date data. Microfiche contain data for one State only. To satisfy an interstate enquiry it is necessary to obtain the relevant data via telex.

16. Stratplan The Department of Social Security has been aware for some time that new technologies, more suited to its present and future needs, are now available. Also that more powerful computers, necessary because of the new systems to be introduced, and the Department's heavy workload, can be obtained. It has therefore developed a Strategic Plan (Stratplan) to replace all its current tape-batched computer systems with on-line data base systems. The new system will improve the speed and efficiency of existing computer assisted operations, and also considerably extend the areas of the Department's operations that will receive computer assistance - such as the Department's rehabilitation and subsidies programs, and management and administrative support functions.

17. Stratplan involves the installation of large mainframe computers in Canberra and in each State capital, and minicomputers and VDUs at some 250 sites in offices of the Department throughout Australia. These computers will be linked to form a single national network.

18. This re-equipment together with new applications systems to be developed, will be specifically designed to meet the current and foreseen needs of the Department. The new computer will provide the flexibility required to enable the Department to quickly implement new, or alter existing Social Security programs in line with changes in legislation and alterations of Departmental procedures.

19. Under Stratplan it will be possible to use a VDU to obtain immediately up-to-date information from anywhere in Australia within a few seconds. The data displayed will be directly relevant to the enquiry and will not include redundant data as is the case with microfiche.

20. Transactions to notify the system of changes in client circumstances such as a change of address are now transmitted in batches from each regional office to the computer centre at State headquarters where the computer checks them for errors overnight. The regional offices are notified via printout of any errors and the transactions involved have to be corrected and re-entered. The process is repeated until the batch is error free. These procedures are so slow that payments can be incorrect or sent to the wrong address even after the client has notified the Department of changes.

21. Under Stratplan the data base will be directly updated from regional offices and any errors will be detected and corrected immediately.

22. The computer hardware being acquired to implement Stratplan is as follows:

- . An Amdahl mainframe computer in each State capital (except Darwin) and Canberra, with power commensurate with the workload in each city;
- . Storage Technology will supply peripheral equipment to the mainframe computers, namely the disc packs, printers, tape drives, and automatic tape libraries;
- . Some 250 Wang mini-computers, 7360 VDU terminals, and 1500 terminal printers, will be located in approximately 180 regional offices, and in rehabilitation centres and State head offices throughout Australia, and linked to the mainframe computers to create the national network.

23. The equipment is being installed over a four-year period beginning in 1983 and the total cost of the computer hardware and software for the implementation of Stratplan is expected to be in the order of \$100 million.

24. Future upgrading The existing computer deals with each Social Security operation (e.g., pension cheques, unemployment benefits, family allowance, etc.) with updated information on a regular cycle. Microfiche details of each batch are the only computer based record of each client's details available at regional offices until the next cyclical run. The change to real-time with Stratplan is therefore a complete change of system.

25. Having achieved this new system, it is expected that any further development in the foreseeable future will generally be a step-by-step upgrading of the Stratplan system. The hardware being acquired with the implementation of Stratplan is of a modular-type and is amenable to upgrading component by component.

26. Timing The Department of Social Security has presented evidence to the Committee to the effect that the need for the new facilities in Victoria, as well as in some other States, is becoming urgent.

27. The Department states that the existing Melbourne computer is working three shifts, 24 hours per day for 5 days a week, as well as doing extensive weekend work in order to cope. It claims that the situation will become even worse when the computer has to cope with the annual influx of school leavers on to Unemployment Benefits at the beginning of 1984. Any further worsening of the economic climate with corresponding increases in unemployment, or any new Government initiative in the Social Security area will cause the situation to deteriorate further.

28. The Department expects that the current level of service in Victoria can be maintained using its present Melbourne computing equipment until September 1984. If the new computer centre is not operational by then, it is possible that the Department will have to implement contingency plans or reduce service in some way.

29. The Committee is concerned that the existing computing facilities are being stretched to the limit. With an apparent shortage of processing capacity it would appear that a crisis may develop before the new system is installed.

30. The Committee notes that although planning for Stratplan commenced in 1979, it appears not to have been enough time. If 4 years forward planning would normally have been sufficient time, the present problems would suggest that due cognisance was not taken of the limits of the existing system, particularly with regard to its capacity and the demands being placed upon it, in the development of Stratplan.

31. Committee's View of Stratplan Whilst recognising the enormity of the task of establishing a national Social Security on-line data network, the Committee believes it will result in substantial benefits to clients, and improved efficiency.

32. However, the Committee has reservations about the proposed implementation of Stratplan as one complete computer re-equipment and conversion. If there are major problems in the establishment of the new system the Department seems to be leaving itself without a strong fallback position. The Committee feels that it would have been safer for the Department to implement Stratplan in stages, over a longer period of time, on a State by State basis.

33. Committee's Conclusions The Committee notes that the Department of Social Security is upgrading its total computing operations with the implementation of Stratplan.

34. The need for new computers in some States, including Victoria, is urgent as the present facilities are operating near the limit of their capacity.

THE NEED

35. Existing Accommodation The existing computer in Melbourne is located on the sixth floor of the Commonwealth Centre, and the main support areas are located in the basement and on the seventh floor. The Department of Social Security computer operations

cannot be interrupted and the existing computer therefore must continue operating in the Commonwealth Centre while the new computer is installed and tested in new premises.

36. Even if the existing premises were available, the present space allocation in the Commonwealth Centre is insufficient and unsuitable for the new computer centre. It is barely adequate for the present computer facilities.

37. Specifically, the floor space is insufficient. The Commonwealth Centre accommodation is 1700 square metres for the existing computer and support facilities. The Department of Social Security requires 2200 square metres to house the new large mainframe with its peripherals and communications equipment, and to accommodate the associated operational and production functions.

38. The floor to ceiling height at the existing computer centre is not sufficient for the provision of adequate under floor and above ceiling spaces for the installation of necessary services. The present false floor has a 300mm space beneath it. The new equipment will require at least 450mm to accommodate the extra cabling and facilities for gas flooding, and to allow for an adequate flow of cooling air. The false floor cannot be raised as this would reduce the ceiling height to an unacceptable level of 2030mm. The above ceiling space would then be reduced to 200mm which is barely adequate for the air conditioning, fire protection and electrical services to be held in it.

39. The air conditioning in the existing accommodation is not of a high enough standard for the new computer. Whilst the present computer will operate within the temperature range 16°C to 32°C, the new computer will only operate between 16°C and 20°C.

40. The present operation occupies space on a number of different floors on the Commonwealth Centre, which is a public building. Movement of people, computer tapes, cheques, etc., from operations on one floor to another, and to and from the Centre itself, are via the public corridors and lifts of the building. This gives rise to operational and security problems that would be avoided by housing the whole of the operation in one self-contained dedicated building.

41. Storage is also a problem. Due to the restrictions of floor space, computer printable forms, paper, envelopes, etc., must be stored elsewhere. Limited storage space is presently utilised in the basement of the Commonwealth Centre, and only small orders can be transferred to these stores from the Transport and Storage Division of the Department of Administrative Services bulk storage depot at Maribyrnong. Storage of larger quantities of the regularly used forms, documents and stationery in the computer centre would improve efficiency.

42. Relocation of the Computer Centre to other floors within the Commonwealth Centre would not overcome all of the shortcomings of the existing accommodation. The accommodation would still have limited floor to ceiling heights, restricted storage, the location of the computer and support facilities on separate floors, and security problems due to the location of the centre in a public building. In addition personnel from other Departments would have to be relocated, and the fitting out of space as a computer centre, which is relatively complex, would result in major disruption to other occupants of the building during the construction period. This solution would be more expensive and less satisfactory than other possible accommodation alternatives.

43. Accommodation Requirements Because of the previously mentioned shortcomings of the existing computer centre, and the Commonwealth Centre as a whole, totally new premises are required to house the large mainframe computer with its peripherals and communications equipment and to accommodate the associated operational and production functions.

44. As previously mentioned, 2200 square metres of accommodation is required for the computer and support areas, and adequate under floor and above ceiling spaces are required for cabling, air conditioning, fire protection and other services.

45. Suitable control rooms and work areas will be required to operate the computer, schedule work, and support the network. Appropriate areas are required for separating, enveloping and despatching cheques and other documents, and for the associated administrative and control staff.

46. Some 70 operators and other staff will work at the centre during the day shift and 15 during the second shift. Suitable facilities are required for these people including offices and other necessary support areas.

47. Computing, printing and despatch areas should preferably be on a single level, and the relationship of these areas to each other should take account of the entry and exit points of the building, and of the efficient flow of paper through the centre.

48. In the provision of new facilities an independent building has many advantages over shared accommodation. Adequate access would be more easily achieved for moving goods into and out of the centre. It would also enable a higher level of security to be achieved. Access to the building would be controlled and there would not be occasions where the transfer of computer generated documents, and material for postage, would intermingle with the general public.

49. An independent centre also provides the opportunity for air conditioning and electrical services of an appropriately high standard to be provided. Space can also be obtained for the consolidation of all support services, including substantial storage, on the site.

50. Future Use of Present Accommodation Following establishment of the new Stratplan network the space currently occupied by the Department of Social Security computer operations in the Commonwealth Centre will be made available to other Commonwealth users.

51. The present accommodation in the Commonwealth Centre is in poor condition. However, plans are in hand to refurbish the entire Commonwealth Centre.

52. Committee's Conclusions The existing Melbourne computer centre on the 6th and 7th floors of the Commonwealth Centre is unavailable and is also unsuitable as accommodation for Stratplan.

53. The accommodation in the Commonwealth Centre as a whole is less than ideal and was not preferred to other alternatives as accommodation for Stratplan.

54. There is a need for a new computer centre.

THE BUILDING

55. 134 Ferrars Street, South Melbourne The Department of Social Security had three basic choices for the proposed computer centre. It could:

- . build a new, purpose built building;
- . purchase or lease an existing building; or
- . lease space in a high rise commercial office building.

56. After considering a number of alternatives from each of these broad options, the Department chose to lease an existing building at 134 Ferrars Street, South Melbourne (see Illustration A).

57. The building, which is presently vacant, was formerly used by Air International Pty Ltd who were engaged in the design and testing of automotive air conditioning systems. It comprises a two-storey office area of 420 square metres, facing on to Ferrars Street, and a single storey production warehouse area to the rear (see Illustrations B, C and D). The building is five years old and in good condition.

58. The office block is of encased steel framed construction with reinforced concrete ground and first floor slabs. The roof is of light structural steel construction supporting a low pitched metal deck roof. The production/warehouse area is of steel portal frame construction with encased columns. The roof is of low pitched steel deck roofing with skylights providing natural lighting to the area. The floor is of reinforced concrete and walls are of concrete block internally and red extruded face brickwork externally.

59. A service yard opening off Thistlethwaite Street provides eight car parking spaces. Street parking is available on Thistlethwaite Street and Ferrars Street.

60. The property is situated on the north west corner of the Ferrars Street and Thistlethwaite Street intersection in South Melbourne, approximately 2 km from the GPO. It is bounded on the northwest side by Buckhurst Lane, and on the southwest boundary by a property which has no building development within approximately four metres of the property boundary.

61. Favourable site characteristics include proximity to Department of Social Security State headquarters, availability of the Telecom cable network, the proximity of South Melbourne and Montague Street railway stations and a regular bus service to the City. Also, access to the building is excellent and is suitable for the secure transfer of cheques and other accountable documents to and from the site, and the building is in an area zoned general industrial which is consistent with its use as a computer centre.

62. The building is presently owned by the estate of Owen John deceased. It has been leased by the Department of Social Security for a term of 5 years from 1 March 1983, with three options for renewal for further 5 year periods. Rent, and other leasing costs are \$100,000 p.a. and the rent is subject to review every two years.

63. When leasing the building the Department of Administrative Services negotiated an option to purchase. A firm purchase price of \$952,000 has been agreed if the option is taken up by 31 October 1983. A discounted cash flow indicates that the purchase proposal offers greater economic advantages to the Commonwealth than leasing. The option to purchase the building is dealt with in more detail in paragraphs 85 to 89.

64. Alternatives Considered In selecting the building the Department of Social Security and the Department of Administrative Services considered a number of alternatives. These alternatives included other existing privately owned buildings (for lease and/or purchase), existing accommodation in Commonwealth-owned premises, and new construction on Commonwealth-owned land. These alternatives are listed at Appendix A.

65. Contrary to the view expressed in the Department of Administrative Services submission, the Committee felt that two of the alternatives were very favourable. The alternatives at Glen Waverley, and particularly at the corner of Batman and Spencer Streets, West Melbourne, offered the opportunity to construct a purpose built computer centre for marginally more than the cost of acquisition and fitting out of the building at Ferrars Street.

66. However, at the hearing, the Committee was advised that the costings given in the submission in relation to these sites were out-of-date, and that other difficulties made them less attractive than they initially appeared. Since the hearing updated figures and further details of these sites have been provided which confirm this evidence.

67. Nevertheless, the fact that the building in Ferrars Street is already standing is an overwhelming factor in its favour. It is well suited for its intended usage, and the capacity of the present computer is stretched so tight that the Department cannot afford the time to design and construct a new computer centre specifically to suit its needs.

68. Committee's Conclusions. The Committee notes that the Commonwealth has leased a warehouse building at 134 Ferrars Street, South Melbourne, for use as a computer centre.

69. The Committee also notes that the Commonwealth has an option to purchase the building, and subject to the necessary approvals being obtained, plans to proceed with the purchase.

THE PROPOSED WORK

70. The Proposal Basically, the building leased is an empty shell with some offices on the ground floor and on a mezzanine level along one side. A considerable amount of work is required to fit out the building as a computer centre.

71. The centre is planned to accommodate a large computer and support operations. The project will provide the following facilities:

- . accommodation for the computer, printers and support facilities;
- . general management and administrative accommodation including offices, reception area, staff amenities and a training/conference area;
- . stores and despatch facilities; and
- . engineering services supporting all areas including normal and emergency power supplies, air conditioning, security and fire protection systems.

72. The warehouse and office configuration of the building basically suits its intended usage. The large volume warehouse can be economically adapted for the computer, printers, stores, enveloping and the various specialised plant.

73. The layout of the facility has been centred on the essential paper handling routine and the need to maintain a key relationship between the various facets of the operations without jeopardising security.

74. The computer and its associated production and support facilities will occupy the ground floor. The back-up power systems (emergency generator and uninterruptible power supply) and other necessary facilities will be located at first floor level using existing space and a new mezzanine in part of the warehouse section of the building.

75. The indoor amenities area to be provided will include facilities to store and heat food for shift workers, and an amenities room for staff working in areas where food and drink consumption and smoking are not allowed.

76. The design of the fit-out recognises the environment required to obtain the necessary standards in terms of temperature, cleanliness, ventilation, vibration, noise, and security.

77. The building, when developed as proposed, will provide the Department with sole occupancy of a secure, self-contained computer centre in which facilities for handling and despatching printed output are located in close proximity to the computer, and which will include all other required facilities. Construction details are set out in Appendix B.

78. Committee's Conclusion The proposed fit-out of the building as a computer centre appears satisfactory.

LIMIT OF COST ESTIMATE

79. The limit of cost estimate for the project when referred to the Committee is \$2.2 million at June 1983 prices.

GENERAL OBSERVATIONS

80. Department of Administrative Services Submission The Committee is critical of some aspects of the Department of Administrative Services submission. In particular comparison between the preferred option at 134 Ferrars Street and the listed alternatives did not stand up to scrutiny.

81. In the submission one of the eight alternatives was construction of a new building at the corner of Batman and Spencer Streets, West Melbourne. The cost of this option, at \$3.2 million, was regarded as prohibitive. This assertion, however, was based on a comparison with the cost of only outfitting the Ferrars Street building (\$2.2 million), rather than the full comparative cost which is outfitting plus the purchase price (\$3.152 million).

82. After considering the written evidence, the Committee formed the view that the West Melbourne alternative was an attractive proposition, and considered that \$48,000 was a reasonable premium to pay for a purpose built computer centre in the city area.

83. However at the public hearing departmental witnesses commented that the listed costs of some alternatives were out-of-date. Also there were additional reasons why the West Melbourne alternative was not preferred. The West Melbourne option would under utilise a relatively large site, demolition of existing buildings would be required, certain Commonwealth functions would have to be relocated, and approval to demolish existing buildings with some historical significance may be difficult to obtain. Also the cost of new construction on this site would probably now be greater than stated in the written submission. Revised figures subsequently provided indicate that the full cost of the West Melbourne alternative is \$3.465 million.

84. The Committee now accepts that the Ferrars Street proposal is preferable to the alternatives, including the West Melbourne option. However this conclusion was not obvious from the outdated figures and incomplete information in the Department of Administrative Services submission.

85. Purchase of the Building Although the Department of Administrative Services has an option to purchase the building at 134 Ferrars Street, South Melbourne, and intends to proceed with the purchase, the proposal before the Committee is for a development in leased premises. At the time of referral to the Committee funds had not been allocated and the necessary Ministerial approvals had not been obtained for the purchase.

86. The Department of Social Security states that purchase of the property was deferred because of the subsequent referral of the project to the Committee. But failure to purchase has meant that a fully resolved proposal could not be presented to the Committee.

87. The Committee's view on the advisability of carrying out the work depends substantially on whether the building is purchased, as intended in the near future, or is only leased as the proposal presently stands.

88. The Committee would support the investment of \$2.2 million in developing the building as a computer centre if it is owned by the Commonwealth.

89. However the Committee has serious reservations about the advisability of spending \$2.2 million to modify a privately owned building valued at only \$952,000. The lease term of 20 years (including options) is sufficient to ensure security of tenure. However, the substantial Commonwealth investment could prejudice future rental negotiations.

90. Committee's Conclusions The Committee has reservations about supporting the proposed work in leased premises.

91. The Committee recommends that the work proceed on the basis that the building should first be purchased.

PROGRAM

92. The installation of the Melbourne mainframe computer will need to begin by October 1984, and the building will therefore need to be available by September 1984. Construction of the proposed work should commence by November 1983 and is expected to take less than 12 months to complete.

RECOMMENDATIONS AND CONCLUSIONS

93. A summary of the recommendations and conclusions of the Committee and the paragraph in the report to which each refers is set out below.

Paragraph

1. THE COMMITTEE NOTES THAT THE DEPARTMENT OF SOCIAL SECURITY IS UPGRADING ITS TOTAL COMPUTING OPERATIONS WITH THE IMPLEMENTATION OF STRATPLAN.

33

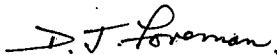
2. THE NEED FOR NEW COMPUTERS IN SOME STATES, INCLUDING VICTORIA, IS URGENT AS THE PRESENT FACILITIES ARE OPERATING NEAR THE LIMIT OF THEIR CAPACITY.

34

3. THE EXISTING MELBOURNE COMPUTER CENTRE ON THE 6TH AND 7TH FLOORS OF THE COMMONWEALTH CENTRE IS UNAVAILABLE AND IS ALSO UNSUITABLE AS ACCOMMODATION FOR STRATPLAN. 52
4. THE ACCOMMODATION IN THE COMMONWEALTH CENTRE AS A WHOLE IS LESS THAN IDEAL AND WAS NOT PREFERRED TO OTHER ALTERNATIVES AS ACCOMMODATION FOR STRATPLAN. 53
5. THERE IS A NEED FOR A NEW COMPUTER CENTRE. 54
6. THE COMMONWEALTH HAS LEASED A WAREHOUSE BUILDING AT 134 FERRARS STREET, SOUTH MELBOURNE, FOR USE AS A COMPUTER CENTRE. 68
7. THE COMMONWEALTH HAS AN OPTION TO PURCHASE THE BUILDING, AND SUBJECT TO THE NECESSARY APPROVALS BEING OBTAINED, PLANS TO PROCEED WITH THE PURCHASE. 69
8. THE PROPOSED FIT-OUT OF THE BUILDING AS A COMPUTER CENTRE APPEARS SATISFACTORY. 78
9. THE ESTIMATED COST OF THE PROJECT IS \$2.2 MILLION IN JUNE 1983 PRICES. 79
10. THE COMMITTEE HAS RESERVATIONS ABOUT SUPPORTING THE PROPOSED WORK IN LEASED PREMISES. 90

11. THE COMMITTEE RECOMMENDS THAT THE WORK
PROCEED ON THE BASIS THAT THE BUILDING SHOULD
FIRST BE PURCHASED.

91



(D.J. FOREMAN)
Chairman

Parliamentary Standing Committee
on Public Works,
Parliament House,
CANBERRA A.C.T. 2600

6 October 1983

STRATPLAN - COMPUTER CENTRE MELBOURNE
ESTIMATED COSTS OF OPTIONS INVESTIGATED

(a) Commonwealth-owned Premises Compared with Preferred Option

	134 Ferrars Street South Melbourne	Comm. Centre 11th & 12th Floors	11 William Street Melbourne	Batman Street West Melbourne	499 Springvale Rd Glen Waverley
Acquisition Cost	\$952,000				
OR					
Site Value (1)		\$1,280,000	\$1,665,000	\$350,000	\$138,000
Relocation Costs (2)	-	220,000	130,000	15,000	-
Outfitting Costs (3)	2,200,000	2,430,000	1,985,000	3,100,000	3,030,000
Total Initial Capital Cost	\$3,152,000	\$3,930,000	\$3,780,000	\$3,465,000	\$3,168,000
Estimated annual cost of servicing site - Telecom charges	\$6,500	-	\$3,200	\$4,100	\$54,000
Transport	25,000	-	25,000	25,000	30,000
Total Annual Cost	\$31,500	-	\$28,200	\$29,100	\$84,000

Notes: (1) The Site Value is the assessed value of the improved property applicable only to the area proposed for Stratplan based on the Australian Taxation Valuer's assessment except for Batman Street which includes only land value, the existing improvements being unsuitable for refurbishing for Stratplan.

(2) Cost of relocating staff currently occupying the proposed site including outfitting.

(3) Revised cost of outfitting as assessed by D.M.C.

STRATPLAN - COMPUTER CENTRE MELBOURNE
ESTIMATED COSTS OF OPTIONS INVESTIGATED

(b) Leased Premise Options

	134 Ferrars Street South Melbourne	Drummond Street Carlton	91 Victoria Street Fitzroy	139 Cherywynd Street North Melbourne
Outfitting Costs (1)	\$2,200,000	\$2,654,000	\$2,760,000	\$2,410,000
Annual Costs				
Rental	\$87,500	\$100,000	\$68,000 (2)	\$68,500
Outgoings	12,500	28,000	9,000	9,500
Servicing				
Telecom charges	6,500	1,600	2,700	4,300
Transport	25,000	25,000	25,000	25,000
Total Annual Cost	<u>\$131,500</u>	<u>\$154,000</u>	<u>\$104,700</u>	<u>\$107,300</u>
				(24)

NOTES: (1) Revised cost of outfitting as assessed by D.H.C.

(2) Rental for 91 Victoria Street includes estimate for lease of adjoining land to provide acceptable vehicular access.

REASONS FOR
CONSIDERATION

SITE DISADVANTAGES

LOCATION

Owned by the Australian Government and controlled by D.S.S. - clear site.

Glen Waverley
499 Springvale Road

Government-owned property. Proximity to D.S.S. State Headquarters.

Corner of Barman &
Spencer Streets
Melbourne

Government-owned and existing location of D.S.S. Computer.

Commonwealth Centre
Cnr Spring & La Trobe
Streets, Melbourne
11th & 12th Floors.

Government-owned building, good location, suitable space potentially available for computer installation.

11 William Street
Melbourne

Availability of property. Good location.

91 Victoria Street,
Fitzroy

Attractive well-built property outside high C.B.D. rental area and with good access and parking.

134 Chetwynd Street
North Melbourne

Large existing building in good location.

Cnr Drummond & Queensberry
Streets, Carlton.

Located within residential area with resultant potential for environmental conflict - traffic, security lighting, usage - from Council, residents and users of Rehabilitation Centre.

Remoteness from State H.Q. resulting in high Telecom service charges for cabling links and in transport costs.

Existing buildings unsuitable for re-use and demolition includes old bakery with potential historic value.

Stratplan land would be only a portion of site and would prejudice future site re development potential.

Works required would have a major impact in noise and disruption to other occupants of the building for major part of construction period.

Proposal would necessitate additional short and long term office space and staff relocation at significant cost and time delay before commencing Stratplan works.

Restriction on size of vehicles delivering to basement was of major concern to D.S.S. Time required to outfit alternative premises for existing occupying Department resulted in space not being available to suit Stratplan work programme and site was rejected.

Extensive rebuilding works and longest required construction time. Use of adjoining site would be required to provide acceptable access.

Not for sale. Configuration precluded the required single level layout of computer and immediate back-up. High security risk.

Extensive demolition and rebuilding required. High security risk.

CONSTRUCTION

1. General Design Parameters The design has been developed having regard to the following factors;

- . Construction of alterations to the existing building to incorporate minimum maintenance materials and simple, functional mechanical plant;
- . efficient energy usage in the servicing of the building, and
- . creation of a working environment that is safe, functional, convenient and attractive at an economic cost.

2. Building Works The building work includes the construction of a steel frame supported reinforced concrete slab mezzanine floor within the warehouse section of the building. Additional piles will be required to support this structure.

3. A steel platform will be constructed above the roof of the warehouse section to house components of the building air conditioning plant.

4. Other building works comprise the installation of new partitions, false ceilings, a computer floor to the computer/printer area, steel racking in the stores, and all internal finishes.

5. Electrical Services A new sub-station will be provided on the ground floor. Power will be run to appropriate distribution boards for general light and power on ground and first floors, and to specialised boards controlling computer and air conditioning equipment.

6. Where the existing electrical installation is not suitable for the specialised computer centre requirements it will be replaced.

7. A 500kW standby diesel alternator will provide emergency power for essential loads including the computer and its associated air conditioning plant.

8. Both mains and standby power will feed to the computer through an uninterruptible power system to provide the computer with conditioned power at all times. The uninterruptible power system will also provide 10-15 minutes continuous power supply after mains failure from batteries, pending operation of the standby alternator.

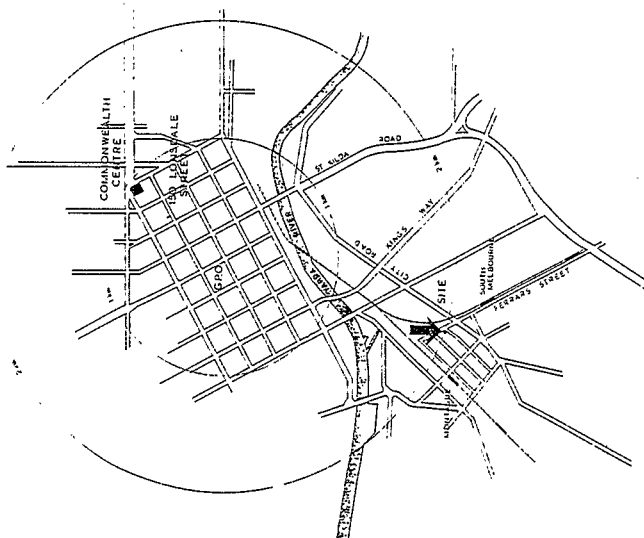
9. Mechanical Services Air conditioning will be provided to all areas using decentralised systems. Floor standing units will be provided in the computer equipment room to handle the high heat load produced by the equipment. Modular units will be provided in the remainder of the building to handle local heat loads. Heating of areas will be predominantly by waste heat recovered from the computer equipment room.

10. The existing electric hot water service will be re-used with modified reticulation. A boiling water unit will be installed in the amenities room.

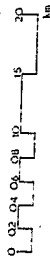
11. Mechanical ventilation will be provided to toilets.

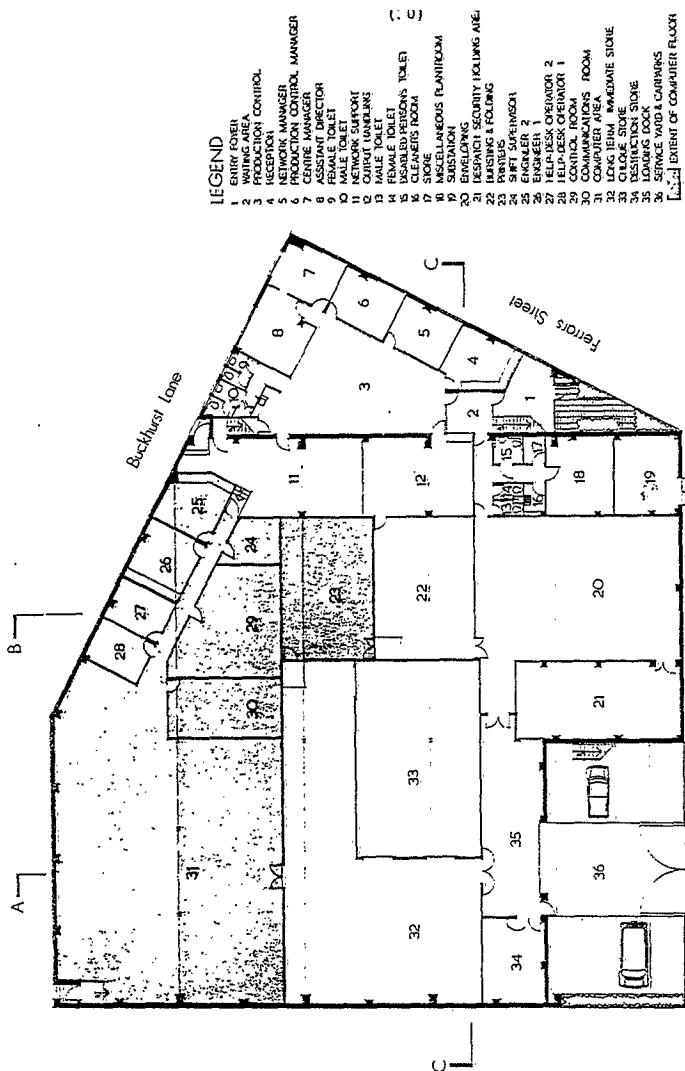
12. Dust extractors will be provided to the Printer Room and Bursting/Folding rooms as required.

13. Fire Protection An automatic sprinkler system will be provided throughout the building. Those areas with a computer floor will be provided with Halon automatic gas flooding.
14. A fire alarm system will be installed in conjunction with the automatic sprinkler and Halon gas flooding systems.
15. Fire protection systems will be monitored from a fire indicator board.
16. Security The building will be zoned and internal access to the various zones will be controlled by magnetic-key locks on doors. Sensitive areas will be under surveillance by motion detectors, and intruder alarms will protect the perimeter of the complex.
17. External Works External works include the installation of a diesel fuel storage tank below paving level in the carpark and construction of a fire escape stair from the plant area.
18. Environmental Impact The Department of Home Affairs and Environment has advised that no formal environmental procedures are necessary.
19. Consultations with Authorities A formal town planning permit application has been prepared for the South Melbourne City Council.
20. An application for upgraded electricity supply has been lodged with the State Electricity Commission.
21. Advice on security matters has been obtained from ASIO and the Victorian Police.
22. The requirements and regulations of all other relevant state authorities will be incorporated in the building design.



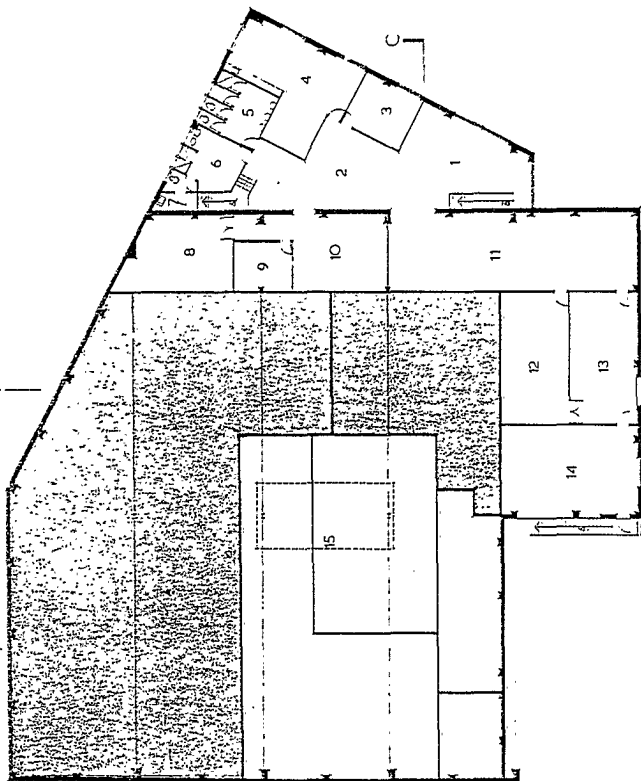
LOCALITY PLAN





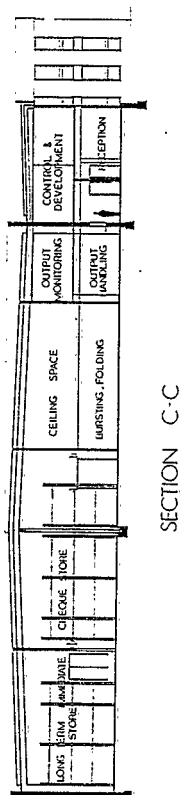
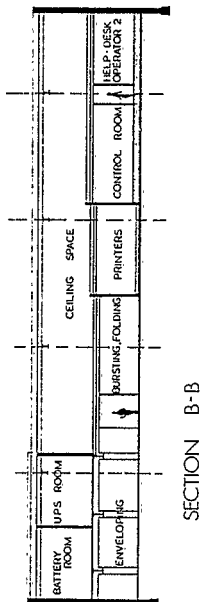
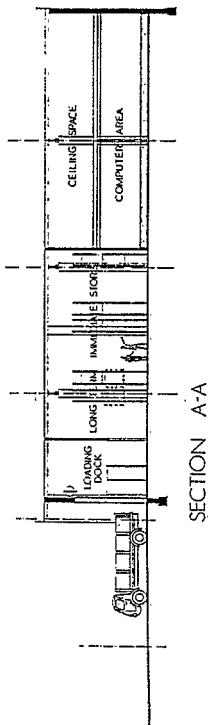
LEGEND

- 1 CONTROL & DEVELOPMENT
- 2 ADMINISTRATION SUPPORT & FINANCE
- 3 VISUAL ADMINISTRATION
- 4 ALTERNATES ROOM
- 5 MALE TOILET
- 6 FEMALE TOILET
- 7 TELEPHONE ROOM
- 8 TRAINING CONFERENCE
- 9 TRAINING OFFICE
- 10 SYSTEM ANALYSIS, PROGRAMMERS
- 11 OUTPUT ADDITIONAL
- 12 UNINTERRUPTED POWER SUPPLY
- 13 BATTERY ROOM
- 14 EMERGENCY POWER SUPPLY
- 15 PLANT ROOM PLANT ROOM OPEN
- 16 CEILING SPACE



FIRST FLOOR PLAN





EXTENT OF COMPUTER FLOOR

SECTIONS

