



FINAL REPORT

# OLD STOCK EXCHANGE BUILDING REFURBISHMENT

280<sup>TH</sup> REPORT

OF THE

**PUBLIC WORKS COMMITTEE**

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*Published pursuant to S17(7) and S17(8) of the  
Parliamentary Committees Act 1991*

*Hon JJ Snelling, Speaker 29 November 2007*

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**Second Session, Fifty-First Parliament**

# CONTENTS

<b>THE PUBLIC WORKS COMMITTEE.....</b>	<b>2</b>
<b>THE FUNCTIONS OF THE COMMITTEE.....</b>	<b>2</b>
<b>PART ONE : PREAMBLE AND PROJECT SUMMARY .....</b>	<b>3</b>
1.1 TERM OF REFERENCE.....	3
1.2 FURTHER REPORTING TO THE COMMITTEE .....	3
1.3 SCOPE OF THIS REPORT.....	3
1.4 PROJECT BACKGROUND.....	4
<b>PART TWO: EVIDENCE PRESENTED TO THE COMMITTEE.....</b>	<b>5</b>
2.1 THE CURRENT PROPOSAL .....	5
2.2 CONSULTATION.....	7
2.3 ABORIGINAL HERITAGE.....	8
2.4 HERITAGE BUILDINGS.....	8
2.5 ECOLOGICAL SUSTAINABILITY .....	9
<b>PART THREE: FINDINGS OF THE COMMITTEE .....</b>	<b>10</b>
3.1 PROJECT JUSTIFICATION .....	10
3.2 PUBLIC VALUE OF THE PROPOSED PROJECT .....	11
3.3 REVENUE EARNING CAPACITY OF PROPOSED PROJECT .....	11
3.4 WHOLE LIFE COSTS OF THE PROJECT.....	11
3.5 ESTIMATED NET EFFECT OF THE WORK, AND ITS USE, ON PUBLIC FUNDS .....	12
3.6 PROJECT DELIVERY .....	12
3.7 THE EFFICIENCY AND PROGRESS OF THE PROJECT AND JUSTIFICATION OF ANY EXPENDITURE BEYOND ESTIMATED COSTS.....	14
<b>PART FOUR : CONCLUSION &amp; RECOMMENDATION .....</b>	<b>15</b>
<b>PART FIVE : ATTACHMENTS .....</b>	<b>19</b>
5.1 LIST OF WITNESSES AND SUBMISSIONS.....	19

## ***THE PUBLIC WORKS COMMITTEE***

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The Public Works Committee is established pursuant to sections 12A, B and C of the Parliamentary Committees Act, 1991, proclaimed February 1992.

The following members constitute the Seventeenth Public Works Committee as reconstituted on 24 April 2007:

**Ms Vini Ciccarello MP (Presiding Member)**

**Hon Trish White MP**

**Mr Tom Kenyon MP**

**Mr Michael Pengilly MP**

**Mr David Pisoni MP**

Principal Research Officer:

**Mr Keith Barrie**

Administrative Officer:

**Ms Laura de Cesare**

## ***THE FUNCTIONS OF THE COMMITTEE***

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Section 12C of the Parliamentary Committees Act defines the functions of the Public Works Committee as:

- (a)** to inquire into and report on any public work referred to it by or under this Act, including-
  - (i)** the stated purpose of the work;
  - (ii)** the necessity or advisability of constructing it;
  - (iii)** where the work purports to be of a revenue-producing character, the revenue that it might reasonably be expected to produce;
  - (iv)** the present and prospective public value of the work;
  - (v)** the recurrent or whole-of-life costs associated with the work, including costs arising out of financial arrangements;
  - (vi)** the estimated net effect on the Consolidated Account or the funds of a statutory authority of the construction and proposed use of the work;
  - (vii)** the efficiency and progress of construction of the work and the reasons for any expenditure beyond the estimated costs of its construction;
- (b)** to perform such other functions as are imposed on the Committee under this or any other Act or by resolution of both Houses.

## **PART ONE : PREAMBLE AND PROJECT SUMMARY**

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### **1.1 Term of Reference**

#### **Parliamentary Committees**

Parliamentary Committees have the specific task of examining individual initiatives, projects or policies of the government of the day, or issues of importance to society as a whole. Standing Committees are created by Act of Parliament and charged with the ongoing examination of subject categories such as public works.

Parliamentary Committees are made up of both government and opposition Members, with numbers of each calculated according to rules which reflect the numbers of seats each group holds in the Parliament. Much of the Committee process is open to the public, and completed reports are public documents.

#### **This Project**

The Department for Transport, Energy and Infrastructure (DTEI) has referred the Old Adelaide Stock Exchange Refurbishment project to the Public Works Committee pursuant to the requirements of the Parliamentary Committees Act 1991. Please refer to the "Functions of the Committee" on the previous page for a full description of the Committee's tasks.

### **1.2 Further Reporting to the Committee**

DTEI must notify the Committee immediately in writing should there be substantial changes to the nature of the project or the evidence provided to the Committee. To enable appropriate monitoring of the project, DTEI must also provide quarterly reports to the Committee on the progress of construction. Pursuant to section 12C (vii) of the Act, these reports must outline the efficiency and progress of construction and provide an explanation of any expenditure beyond the estimated costs quoted in this report. Evidence of any substantial changes to, or the withdrawal of, any approval (provisional or otherwise) must also be relayed to the Committee immediately with an appropriate explanation, and an assessment of the probability of a suitable resolution.

In addition, the Committee requires that it be notified of the proposed date for the commissioning of the works.

The Committee has the authority under Section 16 (1)(c) of the Parliamentary Committees Act to re-open investigations into any project for the purpose of further examination and monitoring.

### **1.3 Scope of This Report**

This Report examines the history of the proposal and the efficacy of the application of South Australian taxpayer funds to the refurbishment of the Old Adelaide Stock Exchange Building. The Report structure is guided by, and largely limited to, the terms of the Parliamentary Committees Act. It describes, in summary, the evidence presented to the Committee and concludes with a brief summary incorporating findings and recommendations.

Detailed evidence upon which the Committee's decision is based is held in Parliament and, in most cases, can be examined by making an application to the Committee Administrative Officer.

## 1.4 Project Background

In her final report as one of Adelaide's "Thinkers in Residence", Baroness Greenfield proposed the Bragg Initiative, a series of innovative science awareness projects, exploring ways in which science can become more influential in driving areas that affect our future and decision making.

To build on the success and effectiveness of the activities that make up the Bragg Initiative, Baroness Greenfield offered South Australia a unique opportunity to work with the Royal Institution of Great Britain's (RiGB) 'brand'. This organisation has, for over 200 years, existed at the centre of scientific research and the popularisation of science.

In October 2006 DTEI provided an order of cost to refurbish the former Adelaide Stock Exchange building to accommodate an Adelaide branch of the Royal Institution of Great Britain (RiGB) in response to an initial brief from the Department of the Premier and Cabinet (DPC). The initial brief stated that the facility needed:

*To accommodate a combination of (ideally flexible) event/exhibition spaces that will be open to the public, and areas for the necessary support of these functions. Plus, private/office spaces that will house the necessary staff (up to 30).*

On 24 May 2007, the government announced plans to establish the first international satellite of the (RiGB) in Adelaide. The Old Stock Exchange Building was identified as being a suitable site for the Ri Australia and was purchased for \$3.8 million.

In September 2007, Cabinet approved an expenditure authority to DPC of \$7.7 million + GST to meet the cost of refurbishing the Old Stock Exchange Building.

The Duke of Kent, President of the RiGB, and now Patron of the Ri Australia, launched the Ri Australia at the site of the Old Adelaide Stock Exchange building on the 2 October 2007.

Ri Australia has been established as a national organisation under the Associations Incorporation Act 1985, as The Royal Institution of Australia Inc. Its operations will be overseen by a governing Council, established under its own constitution prepared by the Crown Solicitor's Office and modelled on that of the Royal Institution of Great Britain.

Mr Peter Yates has accepted the appointment as Inaugural Chair of the Ri Australia Council. Other founding members of the Council include Baroness Greenfield, Sir Rod Eddington, Mr Martyn Myer, Mr Javier Moll, Professor John Yovich and Professor Max Brennan.

The inaugural Ri Australia Council meeting was held in Adelaide on 2 October 2007 and adopted the Ri Australia constitution and Affiliation agreement with the RiGB. In addition, a draft Memorandum of Understanding between the two organisations has been developed that allows the sharing and exchange of ideas, staff and programs.

Ri Australia will be established with state government support but this is on the basis that it will ultimately become self-funding. This will be achieved through a range of income generating programs, corporate sponsorships, donations and Federal government support. A fund raising working group has been established and is chaired by Mr Peter Yates.

## PART TWO: EVIDENCE PRESENTED TO THE COMMITTEE

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### 2.1 *The Current Proposal*

The Royal Institution of Australia (Ri Australia) will be housed in the former Adelaide Stock Exchange building on the corner of Exchange Place and McHenry Street. The Certificate of Title references for the site are volume 5682, Folio 154 registered in the name of the Minister for Infrastructure.

The 100 year old heritage listed building was purchased by the government in May 2007 and will be refurbished to provide a modern, dynamic, attractive and accessible home for science in the heart of Adelaide. It will be leased to the Ri Australia as part of the state's support for the project.

The building comprises four levels, currently disposed as a series of offices, meeting rooms, halls, corridors and several large open plan areas, including the stock exchange trading room. It has several original features including a large ornate timber stairway, several impressive leadlight windows, areas of timber panelling, and high ceilings. The gross building area is 1,702 m<sup>2</sup>, with net lettable area estimated at 1,447 m<sup>2</sup>. The building has been unoccupied since 1995.

The Morris and Company stained-glass windows within the building have been gifted to the state by the previous owner and are now under the trusteeship of the Art Gallery of South Australia. The windows, valued at \$1.2 million, will remain in situ and will be available for public viewing.

Negotiations with the Adelaide City Council and the adjacent land owners have begun concerning the use of the outdoor space on the eastern side of the building as a plaza for the activities of the Ri Australia and the public in general. This land is owned by Investa Group.

Materne Pennino Hoare Architects, architect for the adjacent AMP redevelopment, has been engaged, jointly by the AMP and the Adelaide City Council, to prepare a proposal for the courtyard/plaza area east of the Old Stock Exchange building. It is expected a proposal to suit all nearby building owners/tenants will be developed by the respective adjacent building owners without cost to the government. For the Ri Australia, this would mean increased capacity to hold larger, outdoor events to further enhance its role.

The refurbishment of the Old Stock Exchange building will provide a combination of events and exhibitions spaces that will be open to the public including:

- an auditorium with seating for approximately 200 people;
- office space for up to 25 people;
- meeting rooms and flexible space for non-auditorium based public events;
- provision for state-of-the-art audio-visual facilities and information communications technology, to allow the hosting of virtual events internationally;
- a media centre for broadcast quality production briefings;
- disabled access;
- exhibition, library and storage space;
- a public bar and kitchen facilities for catering purposes;
- public and staff toilets; and
- nearby access for car parking.

A turret, with spire in stucco, is a striking feature of the southwest corner of the building. Sitting in a well of office towers – the Telstra building to the south, the AMP Centre to the north and the Commonwealth Bank to the west – it is now at the hub of a busy pedestrian precinct.

## **2.1 The Current Proposal (cont.)**

The Old Stock Exchange Building is a red brick Federation style building, originally of three floors but now of five levels, including basement. The ground floor is 1.5 metres above street level, which poses an accessibility issue. It has two main entrances – one off Exchange Place and the other off McHenry Street.

Although two fires in the building have resulted in two partial re-constructions, there remain limitations in respect to conformance to the relevant Building Codes. It is structurally sound, but following an earthquake assessment, structural retrofitting is required for compliance with relevant Australian Standards.

The western end of the building remains as a timber framed structure and has much of the original fabric intact. The eastern end has had the original floors replaced with concrete slabs. Additional floors have been introduced, also in concrete slab, compromising the full height spaces and resulting in an ungainly juxtaposition of floors with windows.

There is limited documentation available on the current state of the building with ongoing investigations underway to identify as far as possible any potential latent conditions.

Salt damp is prevalent in a number of walls at basement level which will require rectification. Other issues include the partitions and a concrete floor that was a subsequent addition to the building.

### **Refurbishment**

Refurbishment to current standards will require compromising a number of heritage components of the original structure, including the disabled access (a new lift) and fire safety and emergency egress provisions.

A new entrance will be introduced on the McHenry Street façade to enable access from the street to a new lift that will give access to all floors.

Following discussions with the SAMFS and the certifier, the main stair will be fire isolated (a compliant fire-isolated stair was introduced into the north side in 1982) and a VESDA system installed at the western (heritage) end of the ground floor.

The main public facilities are located on the ground floor - Main Auditorium and Heritage Gallery, and in the basement - Gallery/Exhibition and Flexible Event Space 1. The other public space is on the first floor – Flexible Event Space 2/Boardroom.

All administrative offices are on the upper floors. The general office, for the Ri Australia in open plan format (up to 16 workstations), is on the first floor. There is a breakout space and two enclosed offices. Another open plan office (6 workstations) and a staff meeting room are on the second floor. This is intended to accommodate the Australian Science Media Centre.

Amenities are located on all five floors. Plant space and associated rooms (communications, main switchboard) are distributed over the five floors.

### **External Finishes**

The existing building is of red face brick, generally in good condition. Intrusions/alterations are evident in some places and where possible it is intended to restore these to the original fabric by sourcing original bricks and finishing with new, compatible pointing.

All paintwork will be redone to conform to heritage recommendations, as will external decoration to existing doors and windows.

## 2.1 The Current Proposal (cont.)

New openings in the south façade (the new entrance) and in the east façade (to facilitate the opportunity for presentations in the round utilizing the adjacent plaza area) will be contemporary using the latest in glass technology.

### Internal Finishes

The building can be divided internally into two almost discrete zones, the axis being the main stair which itself is in heritage condition.

The zone to the west will be restored to heritage standard – it was fortunately spared most of the ravages of the two fires and is still timber-framed in structure. It has much of the original ceiling and wall panelling intact. The zone to the east, however, has lost most of its heritage integrity as concrete floors have been introduced throughout.

The conversion of the trading room on the first floor to the General Office will feature a remounting of the share movement chalkboards that were abandoned when the building fell into disuse.

### Structure/Civil

The building construction comprises conventional building methods and materials of its time. The masonry construction is “cross-bond” which was common practice for multistorey buildings around 1900. The east side of the building was damaged by fire in 1982. The floors on the east were reconstructed in the late 1980s using structural steel framing and suspended concrete.

A detailed earthquake assessment has been carried out and various structural retrofits are required on the original parts of the building to achieve compliance with the latest Australian Standards. The work will consist of restraint of parapets, tying of suspended timber floors to the supported masonry walls, and restraint of chimneys and other masonry elements.

New structural steel framing (re-use of existing members where possible) and suspended concrete floors are proposed for the mezzanine.

The summary accommodation schedule for the proposed refurbishment is provided below:

Level	Area (m <sup>2</sup> )
Basement	335
Ground Floor	300
Mezzanine	75
First Floor	325
Second Floor	90
General Circulation	310
<b>Total Floor Area</b>	<b>1,435</b>

## 2.2 Consultation

Design sketches have been presented to DPC for circulation to the various steering committees for comment before submission to the Development Assessment Commission for planning approval.



## **2.2 Consultation (cont.)**

The following organisations will be part of the project's implementation in accordance with Step 5 of the Infrastructure Planning and Delivery Framework – the Project Implementation Process.

- Department for Transport, Infrastructure and Energy (Building Management Division), which is providing:
  - project risk management services
  - architectural services
  - cost management services
  - heritage architectural services
- Wallbridge & Gilbert (Civil and Structural Engineers)
- Bestec (Engineering Services)
- Other professional advice (eg acoustics and audio-visual systems design) will be sought on an “as needs” basis by the project team.

A series of meetings was held with various interested bodies including Adelaide City Council, AMP and Investa Group (Telstra Building owners) and DEH, Heritage Branch. This is ongoing as the interests of the various parties are refined.

The Committee accepts that the proposing agency has undertaken all appropriate agency and community consultation.

## **2.3 Aboriginal Heritage**

The Committee accepts that investigations undertaken by the proposing agency indicate that the proposed works will have no impact upon any sites of Aboriginal significance.

## **2.4 Heritage Buildings**

The Old Stock Exchange building is one of the few remaining Federation/Edwardian style buildings in Adelaide. The building was included on the State Heritage Register in 1984 and the Register of the National Estate in 1993.

The building was designed by architects H.E. Fuller and Hedley A. Dunn, who jointly submitted the winning entry in a design competition. It was contract was tendered in August 1900 and let to a leading builder of the time, Walter Torode. It was opened in 1901 to commemorate Australian Federation.

It is proposed, within the limits of the budget, to conserve and expose the original elements and convert and utilise the spaces for the required contemporary uses. The 1901 clear finished coffered timber ceilings will be exposed and repaired to recapture some of the heritage character and ambience.

The original grand spaces have been reduced to a series of small box like offices due to subdivision with lightweight framed walls. In addition the architectural volumes have been distorted by the later installation of suspended ceilings of plasterboard acoustic tiles. Some of the timber picture rails remain above the suspended ceiling and will be retained.

Despite serious damage in one area, which has been penetrated by large air conditioning ducts, overall the original timber ceilings appear to be in reasonably good condition. Where appropriate the original timber wainscoting will be reinstated.

## **2.4 Heritage Buildings (cont.)**

All of the existing appropriate light fittings will be retained and supplemented where necessary to attain the necessary light levels.

Original ornate door hardware (handles, escutcheon plates and push plates) will be retained and reused as will the silvered window sash pulls. Original paint colour schemes will be employed where practicable.

The Heritage Branch of the Department of Environment and Heritage (DEH) and Adelaide City Council have been consulted generally and more specifically as part of the development approval process.

## **2.5 Ecological Sustainability**

The project design team and representative stakeholders for the Ri Australia Old Stock Exchange Building Redevelopment recognise the importance and benefits of incorporating Ecologically Sustainable Development (ESD) principles into the new facilities. In particular it is recognised that:

- a facility with good environmental qualities will provide a positive work environment for staff and visitors; and
- a facility that consumes less energy, reduces waste and encourages reuse of resources will provide benefits for both the facility itself, and for the wider community.

A number of energy efficiency measures have been included as part of the refurbishment:

- material selection to include low embodied energy and low maintenance;
- recycling of structural steel members salvaged from demolition;
- provision of natural ventilation where possible;
- provision of natural daylight to all public spaces and workspaces;
- higher levels of insulation to roof cladding systems;
- installation of wind turbine to a section of the roof to provide electrical generation; and
- water consumption minimised by low water consumption taps, showerheads, and toilet flushing systems.

A building management system (BMS), installed to efficiently run the lighting and air conditioning systems, will reduce ongoing energy consumption.

The design has been prepared in accordance with the:

- SA Government Energy Efficiency Action Plan item 2.1; and
- relevant current DTEI Guide notes.

The Sustainability and Climate Change Division of DPC has reviewed the ESD aspects of this project and have noted “there is every indication that the proposed Ri Australia (former Stock Exchange Building Upgrade) will address as far as practicable energy and water efficiency, water reuse, and waste minimisation in this project”.

## **PART THREE: FINDINGS OF THE COMMITTEE**

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### **3.1 Project Justification**

The building will act as a hub for science awareness activities in the state and will house the various initiatives that arose out of Baroness Professor Susan Greenfield's time as Adelaide Thinker in Residence (including the Science Outside the Square program of public events and the Australian Science Media Centre).

The refurbishment will also provide a focus for a major civic hub of activity in the crossroads of a very busy pedestrian precinct and will bring to life a historically and architecturally significant heritage building which has languished in a state of disuse since the early 1990s. The Ri Australia will provide a venue for public events – discussions, debates, performances, workshops, training sessions, special projects and private facility hire. Through these activities the development will act as a hub connecting the energies of scientists, technologists and engineers with individuals and families, students, educators, media, government and industry, and building capacity through collaboration and critical mass.

The Ri Australia will aim to foster a scientifically literate community that understands the relevance of science, engineering and technology to their everyday lives and is open to education and career choices in these areas. More specifically, the operations of the Ri Australia aim to:

- address the current skills shortage (in relation to STEM-specific careers) by increasing interest and participation in science;
- move Australia towards a knowledge-based economy; establish an international cultural institution in Adelaide that embraces the advantages of science and technology for the increased prosperity of all, and encourage a culture of enquiry and creativity;
- assist teacher professional development in the science sphere;
- provide a forum/home/hub for science engagement and public education activities in SA and nationally; and,
- recognise and celebrate our scientific heritage, present and future.

The refurbishment of the building will provide events and office spaces with the flexibility necessary to support a variety of functions to achieve these aims including:

- a public program of science events, based on the successful Science Outside the Square program, for the general public;
- supporting partnerships programs and events with the RiGB through its Director, Baroness Greenfield;
- programs to coordinate public access to the science relevant to industry and the education sector and link it to developments in school science and mathematics;
- the creation of a hub and focal point for collaboration between leading scientists, industry and business;
- schemes to encourage the exchange of ideas and methodologies between SA and the RiGB;
- a Young Persons' Program of outreach activities to schools across South Australia, including science in early years programs;
- a creative hub for the development of programs to tour nationally;
- a series of professional development opportunities and resources for teachers, linking them to active science researchers;
- a bursary system to provide scholarships to assist young South Australians as they embark on further study in science, maths and engineering courses; and
- media and communications training for scientists through the Australian Science Media Centre.

In addition the building will house the Australian Science Media Centre.

### 3.2 Public Value of the Proposed Project

The declining number of Australian students studying science and maths subjects in schools and further education institutions remains a significant grassroots issue in the State. Parents and teachers are the most powerful influencers of career choice among students. These two groups are key targets for much of the activity of the Ri Australia. Thus, the project links particularly closely to the following target in the South Australia's Strategic Plan 2007:

#### **Objective 6: Expanding Opportunity**

T6.17 – Science and Maths: by 2010 increase by 15% the proportion of students receiving a Tertiary Entrance Rank (TER) or equivalent with at least one of the following subjects: mathematics, physics or chemistry.

In creating a new cultural institution and venue for South Australia, the Project also links to:

#### **Objective 4: Fostering Creativity and Innovation**

T4.3 – Cultural engagement – institutions: increase the number of attendances at South Australia's cultural institutions by 20% by 2014.

### 3.3 Revenue Earning Capacity of Proposed Project

The Ri Australia will be self-funding and income generated through the building operations will be to Ri Australia.

### 3.4 Whole Life Costs of the Project

Component	Amount
<b>Construction</b>	
Preliminaries	\$595,000
Construction	\$4,875,000
Construction contingency	\$505,000
<b>Total Construction</b>	<b>\$5,975,000</b>
<b>Management costs and Professional fees</b>	
Professional Fees and Costs	\$865,000
Project Costs and disbursements	\$90,000
Fees and disbursements contingency	\$45,000
<b>Total Management costs &amp; Professional fees</b>	<b>\$1,000,000</b>
<b>Other Costs</b>	
Furniture and Equipment	\$525,000
Audio-visual equipment	\$200,000
Artworks	\$0
<b>Total Other Costs</b>	<b>\$725,000</b>
<b>Total Project Capital Cost</b>	<b>\$7,700,000</b>
GST	\$770,000
<b>Total Project Costs</b>	<b>\$8,470,000</b>

### 3.4 Whole Life Costs of the Project (cont.)

The risk analysis for the project identifies the budget as an area of particularly high risk and as a result various contingencies have been included within the cost plan. These include allowances for design and documentation changes that result from ongoing investigations of the existing structure.

The contingencies also make allowances for:

- the current buoyant market which is affecting tender prices with the range of tenders received for other projects of this nature having no set pattern;
- a general unwillingness of contractors to undertake complex work such as that presented by this project with its refurbishment of heritage listed building on an inner-city site with restricted access; and
- latent conditions which may be encountered during the course of construction.

While these allowances have been included in the cost plan the assessment of the risks is ongoing, with continual liaison with industry to mitigate these risks.

The operating costs of the Ri Australia will be the responsibility of the Ri Australia Council. Ongoing operational expenditure associated with the use of the building such as depreciation and maintenance will be covered in the leasing arrangements.

### 3.5 Estimated Net Effect of the Work, and Its Use, on Public Funds

The refurbishment project costing is \$7.7 million + GST of which:

- \$1.2 million is already budgeted in the forward estimates of DTEI;
- \$5.0 million is included in Department of Treasury and Finance contingencies in 2007-08; and
- \$1.5 million in additional investing authority for DPC in 2008-2009.

The Department of Treasury and Finance advises that the refurbishment project will have an impact on the general government net operating budget and net lending position as follows.

	2007- 08 \$000	2008- 09 \$000	2009- 10 \$000	2010-11 \$000	2011- 12 \$000
Investing Expenditure	-6,200	-1,500	-	-	-
Less Depreciation	-	-	-	-	--
Net Lending Impact	- 6,200	-1,500	-	-	

Negatives indicate increases in agency spending or reductions in revenues (deterioration in net lending). Positives indicate savings or increases in revenue (improvement to net lending).

### 3.6 Project Delivery

The target program for project completion is for the commencement of the academic year in 2009 (February 2009). The following timetable has been established:

- heritage rectification works to commence in December 2007;
- main contract documentation being completed in December 2007 to enable tenders to be called immediately after Christmas 2007; and
- construction contract being awarded in March 2008.

The estimated construction duration for the project is 45 weeks with a further 2 weeks allowed for commissioning and handover to the Ri Australia.

The critical issue in achieving this program is for all approvals being received in a timely manner, and there is active project management by DTEI of this issue.

### 3.6 Project Delivery (cont.)

Required approvals include (but are not necessarily limited to):

- completing the formal project approval process to allow the project to be tendered; and
- development approval.

The project is being delivered in accordance with the Project Implementation Process (PIP), relevant Treasury Instructions, Premier and Cabinet Circulars and statutory requirements.

DTEI is providing architectural and cost management services to the project with private sector professional service contractors providing specialist design and documentation for civil and structural engineering and engineering services (mechanical, electrical, security and communications).

The proposed method of procurement is currently under consideration with the options being managing contractor or the traditional lump sum using the standard AS 2124 contract (as modified by DTEI for government works).

The final determination of the preferred option will be largely dependent on the confidence in the accuracy and coverage of the technical documentation following the ongoing investigations of the state of the building. Program is also a consideration in determining the procurement methodology finally recommended.

The delivery of the Old Stock Exchange Building Refurbishment will follow the best practice principles for project procurement and management as advocated by the State Government and construction industry authorities.

In particular, the project management process includes the following elements:

- evaluation and review of solutions against the brief;
- preparation of a project program that reflects the scope of the project and procurement requirements to meet project objectives. Progress will be regularly monitored and strategies adopted to address program variances;
- the development of formal communication channels between end users, stakeholders and DPC to ensure that Government requirements are understood and achieved;
- the establishment of a cost plan and compliance to maintain the project cost within that plan;
- scheduling of regular audit reviews of design, documentation and construction progress to ensure compliance with time, cost and quality expectations;
- establishment of a professional project team with responsibilities to ensure that the project is well managed in regard to achieving excellence in design and function and completion within budget and on time; and
- identification and management of potential risks and implementation of risk minimisation strategies.

The project is lead by the Project Director, Bragg Initiative, Linda Cooper, who is directly accountable to the Chief Executive, Department of the Premier and Cabinet. The Bragg Project Director reports to the Ri Australia Steering Group quarterly (as of January 2006) and will report to Cabinet as required.

The Ri Australia Steering Group membership includes:

*Warren McCann* Chief Executive, DPC, Chair  
*Professor Caroline McMillen* The University of South Australia  
*Dr Martin Westwell*, Deputy Director, Institute for the Future of the Mind, Oxford University  
*Em. Professor Max Brennan* Chief Scientist – South Australia  
*Professor Marcello Costa* Flinders University  
*Professor Tanya Monro* The University of Adelaide

### **3.6 Project Delivery (cont.)**

<i>Melvin Mansell</i>	<i>The Advertiser</i>
<i>Monsignor David Cappo</i>	<i>Social Inclusion Commissioner</i>
<i>Professor Richard Head</i>	<i>CSIRO</i>
<i>Mr Peter Yates</i>	<i>Chair, Australian Science Media Centre</i>
<i>Hon Jane Lomax-Smith</i>	<i>Minister, Education and Children Services</i>
<i>Pamela Martin</i>	<i>Director Commercial Advice, DPC</i>
<i>Linda Cooper</i>	<i>Project Director, Bragg Initiative, DPC.</i>

A Project Steering Committee for the Old Stock Exchange Building Refurbishment has been established comprising:

<i>Richard Muncey</i>	<i>Director Office Accommodation, DTEI (Chair);</i>
<i>Alison Moulden</i>	<i>Senior Project Officer, DTEI</i>
<i>Pamela Martin</i>	<i>Director Commercial Advice, DPC;</i>
<i>Linda Cooper</i>	<i>Project Director, Bragg Initiative, DPC; and</i>
<i>Martin Ross</i>	<i>Manager Project Management, DTEI.</i>

There is attendance by representatives from DTEI and the professional service contractor team on an "as needs" basis.

The role of the Project Control Group (PCG) is to administer the project at a strategic project level managing the key elements of time, cost and quality.

The members of the PCG are as follows:

<i>Linda Cooper</i>	<i>Project Director, Bragg Initiative, DPC;</i>
<i>Alison Moulden</i>	<i>Senior Project Officer, DTEI</i>
<i>Denis Harrison</i>	<i>Principal Architect, DTEI</i>
<i>Kevin Brodie</i>	<i>Senior Cost Manager, DTEI</i>
<i>Richard Cook</i>	<i>Supervising Heritage Architect, DTEI</i>

An assessment of risk issues applicable to this project has been undertaken. The main risk identified is that the project is complex, dealing with the refurbishment and redevelopment of an existing heritage building into a suitable facility for a range of uses including public presentations and lectures, scientific displays as well as providing the appropriate administrative services to those functions.

### **3.7 The Efficiency and Progress of the Project and Justification of Any Expenditure Beyond Estimated Costs**

The Committee will monitor the progress of the project as required by the Parliamentary Committees Act through the regular reports the proposing agency is required to provide prior to the completion of construction (refer to "Further Reporting to the Committee"). The Committee will provide a further statement to Parliament in the event that subsequent information provided renders this Report inaccurate or misleading.

## **PART FOUR: CONCLUSION & RECOMMENDATION**

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The Public Works Committee has undertaken a site inspection and examined written and oral evidence in relation to the proposal to refurbish the Old Adelaide Stock Exchange Building. It has also been assured by DTEI that acquittals have been received from the Departments of Treasury and Finance, Premier and Cabinet and the Crown Solicitor that the works and procedures are lawful. The Committee is satisfied that the proposal has been subject to the appropriate agency and community consultation and meets the criteria for examination of projects as set out in the Parliamentary Committees Act 1991.

On 24 May 2007, the government announced plans to establish the first international satellite of the Royal Institution Great Britain in Adelaide. The Old Stock Exchange Building was identified as being a suitable site for the Ri Australia and was purchased for \$3.8 million. In September 2007, Cabinet approved an expenditure authority of \$7.7 million + GST to meet the cost of refurbishing the Old Stock Exchange Building.

The Duke of Kent, President of the Royal Institution Great Britain, and now Patron of the Ri Australia, launched the Ri Australia on the 2 October 2007.

Mr Peter Yates has accepted the appointment as Inaugural Chair of the Ri Australia Council. Other founding members of the Council include Baroness Greenfield, Sir Rod Eddington, Mr Martyn Myer, Mr Javier Moll, Professor John Yovich and Professor Max Brennan.

Ri Australia will be established with state government support but this is on the basis that it will ultimately become self-funding. This will be achieved through a range of income generating programs, corporate sponsorships, donations and Federal government support.

The building comprises four levels, currently disposed as a series of offices, meeting rooms, halls, corridors and several large open plan areas, including the stock exchange trading room. It has several original features including a large ornate timber stairway, several impressive leadlight windows, areas of timber panelling, and high ceilings. The gross building area is 1,702 m<sup>2</sup>, with net lettable area estimated at 1,447 m<sup>2</sup>. The building has been unoccupied since 1995.

The Morris and Company stained-glass windows within the building have been gifted to the state by the previous owner and are now under the trusteeship of the Art Gallery of South Australia. The windows, valued at \$1.2 million, will remain in situ and will be available for public viewing.

Negotiations with the Adelaide City Council and the adjacent land owners have begun concerning the use of the outdoor space on the eastern side of the building as a plaza for the activities of the Ri Australia and the public in general. This land is owned by Investa Group.

The refurbishment of the Old Stock Exchange building will provide a combination of events and exhibitions spaces that will be open to the public including:

- an auditorium with seating for approximately 200 people;
- office space for up to 25 people;
- meeting rooms and flexible space for non-auditorium based public events;
- provision for state-of-the-art audio-visual facilities and information communications technology, to allow the hosting of virtual events internationally;
- a media centre for broadcast quality production briefings;
- disabled access;
- exhibition, library and storage space;
- a public bar and kitchen facilities for catering purposes;
- public and staff toilets; and
- nearby access for car parking.



#### **4. Conclusion and Recommendation (cont.)**

Although two fires in the building have resulted in two partial re-constructions, there remain limitations in respect to conformance to the relevant Building Codes. It is structurally sound, but following an earthquake assessment, structural retrofitting is required for compliance with relevant Australian Standards.

The western end of the building remains as a timber framed structure and has much of the original fabric intact. The eastern end has had the original floors replaced with concrete slabs. Additional floors have been introduced, also in concrete slab, compromising the full height spaces and resulting in an ungainly juxtaposition of floors with windows.

Refurbishment to current standards will require compromising a number of heritage components of the original structure, including the disabled access (a new lift) and fire safety and emergency egress provisions.

A new entrance will be introduced on the McHenry Street façade to enable access from the street to a new lift that will give access to all floors.

Following discussions with the SAMFS and the certifier, the main stair will be fire isolated (a compliant fire-isolated stair was introduced into the north side in 1982) and a VESDA system installed at the western (heritage) end of the ground floor.

The main public facilities will be located on the ground floor - Main Auditorium and Heritage Gallery, and in the basement - Gallery/Exhibition and Flexible Event Space 1. The other public space is on the first floor – Flexible Event Space 2/Boardroom.

All administrative offices will be on the upper floors. The general office, for the Ri Australia in open plan format (up to 16 workstations), is on the first floor. There is a breakout space and two enclosed offices. Another open plan office (6 workstations) and a staff meeting room are on the second floor. This is intended to accommodate the Australian Science Media Centre.

Amenities will be located on all five floors. Plant space and associated rooms (communications, main switchboard) are distributed over the five floors.

New openings in the south façade (the new entrance) and in the east façade (to facilitate the opportunity for presentations in the round utilizing the adjacent plaza area) will be contemporary using the latest in glass technology.

The building can be divided internally into two almost discrete zones, the axis being the main stair which itself is in heritage condition.

The zone to the west will be restored to heritage standard – it was fortunately spared most of the ravages of the two fires and is still timber-framed in structure. It has much of the original ceiling and wall panelling intact. The zone to the east, however, has lost most of its heritage integrity as concrete floors have been introduced throughout.

The conversion of the trading room on the first floor to the General Office will feature a remounting of the share movement chalkboards that were abandoned when the building fell into disuse.

A detailed earthquake assessment has been carried out and various structural retrofits are required on the original parts of the building to achieve compliance with the latest Australian Standards. The work will consist of restraint of parapets, tying of suspended timber floors to the supported masonry walls, and restraint of chimneys and other masonry elements.

New structural steel framing (re-use of existing members where possible) and suspended concrete floors are proposed for the mezzanine.

#### **4. Conclusion and Recommendation (cont.)**

The Old Stock Exchange building is one of the few remaining Federation/Edwardian style buildings in Adelaide. The building was included on the State Heritage Register in 1984 and the Register of the National Estate in 1993. It was opened in 1901 to commemorate Australian Federation.

It is proposed, within the limits of the budget, to conserve and expose the original elements and convert and utilise the spaces for the required contemporary uses. The 1901 clear finished coffered timber ceilings will be exposed and repaired to recapture some of the heritage character and ambience.

The original grand spaces have been reduced to a series of small box like offices due to subdivision with lightweight framed walls. In addition the architectural volumes have been distorted by the later installation of suspended ceilings of plasterboard acoustic tiles. Some of the timber picture rails remain above the suspended ceiling and will be retained.

Despite serious damage in one area, which has been penetrated by large air conditioning ducts, overall the original timber ceilings appear to be in reasonably good condition. Where appropriate the original timber wainscoting will be reinstated.

All of the existing appropriate light fittings will be retained and supplemented where necessary to attain the necessary light levels.

Original ornate door hardware (handles, escutcheon plates and push plates) will be retained and reused as will the silvered window sash pulls. Original paint colour schemes will be employed where practicable.

The building will act as a hub for science awareness activities in the state and will house the various initiatives that arose out of Baroness Professor Susan Greenfield's time as Adelaide Thinker in Residence (including the Science Outside the Square program of public events and the Australian Science Media Centre).

The refurbishment will also provide a focus for a major civic hub of activity in the crossroads of a very busy pedestrian precinct and will bring to life a historically and architecturally significant heritage building which has languished in a state of disuse since the early 1990s. The Ri Australia will provide a venue for public events – discussions, debates, performances, workshops, training sessions, special projects and private facility hire. Through these activities the development will act as a hub connecting the energies of scientists, technologists and engineers with individuals and families, students, educators, media, government and industry, and building capacity through collaboration and critical mass.

The Ri Australia will aim to foster a scientifically literate community that understands the relevance of science, engineering and technology to their everyday lives and is open to education and career choices in these areas. More specifically, the operations of the Ri Australia aim to:

- address the current skills shortage (in relation to STEM-specific careers) by increasing interest and participation in science;
- move Australia towards a knowledge-based economy; establish an international cultural institution in Adelaide that embraces the advantages of science and technology for the increased prosperity of all, and encourage a culture of enquiry and creativity;
- assist teacher professional development in the science sphere;
- provide a forum/home/hub for science engagement and public education activities in SA and nationally; and,
- recognise and celebrate our scientific heritage, present and future.

#### **4. Conclusion and Recommendation (cont.)**

The refurbishment of the building will provide events and office spaces with the flexibility necessary to support a variety of functions to achieve these aims including:

- a public program of science events, based on the successful Science Outside the Square program, for the general public;
- supporting partnerships programs and events with the RiGB through its Director, Baroness Greenfield;
- programs to coordinate public access to the science relevant to industry and the education sector and link it to developments in school science and mathematics;
- the creation of a hub and focal point for collaboration between leading scientists, industry and business;
- schemes to encourage the exchange of ideas and methodologies between SA and the RiGB;
- a Young Persons' Program of outreach activities to schools across South Australia, including science in early years programs;
- a creative hub for the development of programs to tour nationally;
- a series of professional development opportunities and resources for teachers, linking them to active science researchers;
- a bursary system to provide scholarships to assist young South Australians as they embark on further study in science, maths and engineering courses; and
- media and communications training for scientists through the Australian Science Media Centre.

In addition the building will house the Australian Science Media Centre.

The declining number of Australian students studying science and maths subjects in schools and further education institutions remains a significant grassroots issue in the State. Parents and teachers are the most powerful influencers of career choice among students. These two groups are key targets for much of the activity of the Ri Australia. Thus, the project links particularly closely to South Australia's Strategic Plan 2007.

The operating costs of the Ri Australia will be the responsibility of the Ri Australia Council. Ongoing operational expenditure associated with the use of the building such as depreciation and maintenance will be covered in the leasing arrangements.

The target program for project completion is for the commencement of the academic year in 2009 (February 2009).

Given the above and pursuant to Section 12C of the Parliamentary Committees Act, 1991, the Public Works Committee reports to Parliament that it recommends the proposed public work.

**Trish White MP**  
**Acting Presiding Member**  
**Public Works Committee**

**2007**

## **PART FIVE : ATTACHMENTS**

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### **5.1 List of Witnesses and Submissions**

#### **Witnesses**

The following persons appeared before the Committee on Wednesday, 21 at Old Parliament House, North Terrace, Adelaide:

Ms Pamela Martin, Director, Commercial Advice, Department of the Premier and Cabinet;  
Ms Linda Cooper, Director, Bragg Initiative, Department of the Premier and Cabinet;  
Ms Amanda Thomas, Project Risk Manager, Project Services, DTEI;  
Mr Denis Harrison, Project Architect, Project Services, DTEI;  
Mr Richard Cook, Manager, Heritage Unit, DTEI.

#### **Submissions**

Department for Transport, Energy and Infrastructure, *Old Adelaide Stock Exchange Building Refurbishment for The Royal Institution of Australia Inc*, October 2007.

