



Australian Mission to the United Nations

E-mail australia@un.int

150 East 42nd Street, New York NY 10017-5612 Ph 212 - 351 6600 Fax 212 - 351 6610 www.AustraliaUN.org



With only one more year remaining until the project's completion, CANZ is very much attuned to the fact that we will shortly need to make the difficult decisions we have so far been putting off. These include making decisions on the final project scope, and the financing of associated costs and the cost of the secondary data centre. On the former, CANZ understands why the General Assembly has been asked to remove the renovation of the Library and the South Annex Building from the project scope, given the ongoing security concerns with both buildings. We agree that replacing both buildings on their existing site at a cost of some \$350-450 million is a poor use of scarce financial resources. We note the recommendation of the ACABQ for the General Assembly to make a decision on the location of the functions currently housed in the South Annex and Library Buildings independent of its consideration of the UN's long-term headquarters accommodation needs. We look forward to discussing this important issue with other delegations so we can all come to a consensus decision promptly.

On the latter, however, CANZ is disappointed that despite the Secretariat's best efforts, only a small amount of the associated costs have been absorbed by the Organization. Since the Secretary-General's tenth progress report on the

The final point we wish to make about project finance relates to the level of contingency remaining. There is still one more year left to run on this project, not to mention potential post-project claims, and we will be seeking further information during our deliberations on the contingency available, including potential savings across a number of guaranteed maximum price contracts, to verify whether this level of resources is sufficient. We expect the Secretary-General and the Office of the CMP to be ever-vigilant with respect to potential risks that could give rise to a financial liability, and to report to the General Assembly on those risks as soon as practicable.

Mr Chairman

As we look back on this project, we realise that the CMP presented us with a valuable opportunity to consider how large companies and organisations around the world manage their office space with optimal efficiency, and to ensure that the UN followed best practices in this regard. Unfortunately, we missed that opportunity. As many of us understand well, implementing more flexible workspace arrangements can provide a significant source of savings and, more importantly, can lead to more productive workplace practices. Yes, such arrangements will require a shift in mindset and a change in entrenched workplace culture — of that there is no doubt. But such a change is entirely possible to achieve. As those companies and organisations which have been through such changes can attest, once the benefits of more flexible workspace arrangements are realised by both staff and managers, there is no going back. CANZ can only hope that this lesson is among the most important of those learned over the past seven years for future capital projects.

In closing, Mr Chairman, let me reiterate our delegations' strong commitment to seeing the CMP project through to its successful completion. We will work constructively with all other delegations to ensure our collective concerns are met, and to ensure the project can be delivered in a manner which is not only expeditious, efficient and affordable, but which will also result in a newly-renovated headquarters complex in which we are all proud.

Thank you.