



Australian Government
Services Australia

SUBMISSION TO THE PUBLIC WORKS COMMITTEE

PROPOSED FIT-OUT OF NEW LEASED PREMISES AT
205 NORTH QUAY, BRISBANE, QUEENSLAND

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TABLE OF ABBREVIATIONS AND ACRONYMS

Agency	Services Australia
BtB	Buildings that Breathe
CCTV	Closed-circuit Television
EEGO	Energy Efficiency in Government Operation
EWIS	Emergency Warning and Intercommunication System
ESD	Ecologically Sustainable Development
GST	Goods and Services Tax
LED	Light Emitting Diode
NLA	Net Lettable Area
PSPF	Protective Security Policy Framework
SCEC	Security Construction and Equipment Committee
%	per cent

Executive Summary

1. Services Australia (the Agency) is responsible for the delivery of advice and high-quality, accessible social, health and child support services and payments. The Agency is the front line of the Australian Government for many Australians and it strives to provide services that are simple, helpful, respectful and transparent. To support these activities, the Agency is required to manage a large, diverse property portfolio and is seeking to consolidate nine sites in the Brisbane Central Business District to deliver operational and financial efficiencies.
2. A competitive procurement process identified a new lease arrangement at 205 North Quay, Brisbane as the best value for money proposal.
3. This proposal included the construction of a new building at 205 North Quay, Brisbane. The Agency proposes to consolidate its nine Brisbane sites into 43,700 square metres of office accommodation in 2025 through a 10 year lease, with two further five year options. This will result in a reduction in the Agency’s property footprint of 3,488 square metres. The site consolidation is known as the Brisbane Precinct Project (the Works).
4. The Works will not impact customer facing services and will not reduce jobs for Agency staff.
5. On 13 October 2021 the Secretary of the Department of Finance, Rosemary Huxtable, advised that the Special Minister of State, the Hon Ben Morton MP, had noted that the proposal meets the intention and requirements of Resource Management Guide No 500: Commonwealth Property Management Framework.
6. The Developer will be responsible for delivery of the base building as well as the Agency’s integrated fit-out. The cost of the proposed fit-out is estimated at \$89,357,000 (excluding GST), being \$2,045 (excluding GST) per square metre. A summary of key facts is detailed in Table 1.

Table 1: Key Facts

Topic	Current	Proposed
Buildings	9	1
Net Lettable Area (square metres)	47,188	43,700
Staff	3,559	3,559
Work Points	3,642	3,603
Work Point Density (square metres)	13	12
Cost of Fit-out (excluding GST)	N/A	\$89,357,000
Fit-out Cost per square metre (excluding GST)	N/A	\$2,045

Purpose of the Works

Purpose

7. The Agency proposes to undertake fit-out works at 205 North Quay, Brisbane, to provide fit for purpose office space to support the consolidation of its nine Brisbane sites in 2025, in accordance with the Commonwealth Leasing Strategy.

Key Objectives

8. The key objective of the Works is realisation of several business efficiencies, including:
- a. A fit for purpose property solution;
 - b. Achievement of a more efficient work point density of 12 square metres per workpoint (a reduction of one square metre per work point);
 - c. Improvements in infrastructure (e.g. security, staff amenities, conference/meeting facilities and energy/waste management);
 - d. Increased staff collaboration; and
 - e. Efficient allocation and utilisation of workspace and resources.

The Need for the Works

Entity Operations

9. The Agency is responsible for the delivery of advice and high quality, accessible social, health and child support services and payments. We are the front line of Government for many Australians and we strive to provide services that are simple, helpful, respectful and transparent.

- a. Our purpose is to support Australians by efficiently delivering high quality, accessible services and payments on behalf of Government;
- b. Our vision is to make Government services simple so people can get on with their lives; and
- c. We contribute to the Government's agenda by supporting individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments, and providers and businesses through convenient and efficient service delivery

10. The Agency has the second largest property portfolio in the Commonwealth after the Department of Defence. As at 30 September 2021, the Agency's property portfolio had 720,825 square metres of commercial property, which was made up of:

- a. 719,254 square metres of leased commercial property; and
- b. 1,571 square metres of owned commercial property (Halls Creek, Wadeye, Angurugu, Galiwinku and Hermannsburg).

11. The property portfolio includes:

- a. 391 commercial properties around Australia, including 319 service centres; and
- b. 36 residential properties in remote locations.

12. The Agency's 2021-22 budget for leases and outgoing costs is \$420 million.

13. A summary of the Agency’s commercial sites is detailed in Table 2.

Table 2: Overview of Commercial Sites used by Services Australia

Site	Number
National Office Sites	6
Face-to-Face Sites	319
Smart Centre (Centrelink Call) Sites	27
Smart Centre (Child Support Call) Sites	14
Pop-up Facilities	0
Support and Processing Sites	51
Records Management Units	1
Other Storage Sites	5
Vacant Sites Still Under Lease	0
Total Number of Commercial Sites	423
Total Area	720,825 square metres

Policy and Operational Requirements

14. The need to identify future accommodation was initiated in response to the impending expiration of the Agency’s leases commencing in 2024/2025. An assessment confirmed that consolidation of the existing leases into a single site was the best option to meet the Agency’s needs for office accommodation in Brisbane.

15. The Commonwealth Leasing Strategy includes the option for consolidation of Agency leases, providing:

- a. Benefits through streamlining the portfolio and allowing for improved staff collaboration;
- b. Greater value for money by leveraging the Agency’s purchasing power for larger space;
and
- c. Quality and fit-for purpose accommodation that meets sustainability initiatives.

16. The lease consolidation will not impact customer facing services and will not reduce Agency jobs.

Existing Leased Sites

17. Details of the Agency's existing nine leased sites are summarised in Table 3.

Table 3: Existing Leased Sites

Address		Net Lettable Area square metres	No of Parking Spaces	Staff	Annual Gross Rental & Parking	Lease Expiry	Extension Options
143 Turbot Street, Brisbane	Levels 1-9	9,500	24	678	\$5,862,251	31/12/2024	2 x 5 years
	Levels 10-11	1,308	0	97	\$816,794	31/12/2024	1 x 5 years
226 Queen Street, Brisbane – Levels 4-5		2,993	0	212	\$1,323,535	30/11/2022	Option to renew to 2024
140 Creek Street, Brisbane	Levels 8-11 and 23-24	7,286	19	695	\$6,655,963	31/12/2024	Nil options
	Level 17	1,236	0	90	\$960,088	31/12/2024	Nil options
400 George Street, Brisbane – Levels 15-19		8,576	13	614	\$8,003,997	28/09/2025	1 x 4 years
140 Elizabeth Street, Brisbane – Levels 2-10		9,944	10	801	\$5,403,896	16/11/2024	Nil options
25 Merivale Street, South Brisbane		3,593	31	185	\$2,136,722	23/06/2025	2 x 5 years
1283-1285 Sandgate Road, Nundah – Level 1		550	3	52	\$273,460	26/02/2022	Option to renew to 2024. Service Centre retained
418-516 Logan Road, Stones Corner – Level 1		700	15	38	\$254,662	31/12/2024	2 x 2 years for Level 1. Service Centre retained
20 Wirraway Parade, Inala		1,502	3	97	\$659,438	20/12/2024	1 x 4 years
Total		47,188	118	3,559	\$32,350,806		

18. The main deficiencies of the existing sites are summarised below:
 - a. The fit-outs date back to 2004 and are reaching the end of their economic life;
 - b. The buildings require base building refurbishment of bathrooms, ceilings and light fittings and floor coverings throughout;
 - c. The separation of Agency's staff across nine sites reduces collaboration; and
 - d. Progressive building refurbishments and new fit-outs across nine sites could take in excess of 24 months to complete, which would be disruptive to staff and the Agency operations (including relocation to staging area to facilitate construction activities).
19. The existing leases will be not be extended beyond their expiry. The Agency staff will progressively be relocated to the new building at 205 North Quay, Brisbane.

Options Considered

20. Five options were considered for the Works:
 - a. Renew existing leases (status quo);
 - b. Build, own and operate a new site;
 - c. Alternative funding model;
 - d. Occupy other existing Commonwealth leased/owned properties; and
 - e. Lease a new site (preferred).

Renew Existing Leases (Status Quo)

21. Maintaining multiple leases in several locations does not represent best value for money. The existing leases are in older buildings, with higher ongoing operating costs and will require significant investment to ensure they are maintained to adequate operational standards.
22. The Brisbane commercial real estate market offers alternate solutions with improved financial terms and incentives.

Build, Own and Operate

23. The option for the Agency to build, own and operate was not progressed on the basis that working accommodation can be most efficiently provided via commercial means. This assessment aligns with the Commonwealth Leasing Strategy, which identifies leasing as means to achieve

value for money outcomes for facilities that are readily available by commercial means, such as office accommodation.

Alternative Funding Model

24. The Agency did not use a “Public Private Partnership” or hybrid financing models to develop and operate the working accommodation. The alternative funding models do not provide better value for money than a lease model.

Existing Commonwealth Leased or Owned Properties

25. The Department of Finance were consulted to determine the availability of other suitable accommodation already held by the Commonwealth. The Department of Finance advised the Agency they were unable to identify any surplus Commonwealth space that would suit the Agency’s requirements, and saw no impediment to the Agency approaching the market in line with the Commonwealth Procurement Rules and Commonwealth Property Management Framework.

Lease a New Site (Preferred)

26. Following consultation with the Department of Finance, the Agency approached the market in September 2019 in a two-stage procurement with an Expression of Interest and a Request for Proposal for approximately 43,700 square metres of high quality A Grade office space (Property Council of Australia Quality Grade Matrix 2019).

27. An Expression of Interest process was undertaken. A range of these were shortlisted to progress to the Request for Proposal stage.

28. The proposals were assessed over an initial 10 year period with two further five year options. The financial and qualitative analysis indicates the 205 North Quay proposal is the best value for money outcome for the Commonwealth. The rental commitment at the new building is \$780 (excluding GST) per square metre per year.

29. The fit-out of the new building at 205 North Quay, Brisbane is subject to approval of this submission.

Scope of Works

Building Summary

30. The new building will be developed with a 55,221 square metre (gross floor area) mixed use commercial building split across 33 storeys.

31. The Agency will be the sole office tenant and will occupy 43,700 square metres of net lettable area. The space dedicated to the Agency will include the following:

- a. Office space across Levels 3 – 30; and
- b. 104 secure parking spaces.

32. The space requirement of 43,700 square metres of net lettable area was determined to meet the Agency's Brisbane office accommodation requirement of 3,617 work points. This is a 7% reduction of net lettable area compared to the existing lease arrangements.

33. The new building offers the Agency the prospect to co-locate into a single location the back of house and corporate staff currently spread across nine sites. That will provide the Agency with a greater opportunity for staff collaboration as well financial savings for Government.

34. The new building is designed with central cores, including lifts and bathroom facilities, with large fully continuous floor plates maximising flexibility, connectivity and natural light.

35. There will be secure bicycle parking for 363 bicycles accessible to all occupants of the site, including Agency staff.

36. The new building is mixed use and will have tenancy spaces for retail and dining businesses including a wellness centre. These tenancies are the sole responsibility of the Developer and are not associated with the Works.

Location

37. The new building is located within the Central Business District of Brisbane and was formerly occupied by a commercial building and college, covering an area of 2,963 square metres across adjoining blocks at 205 North Quay and 26 & 30 Herschel Street. A site location plan is provided at Annexure A.

38. The new building is bounded by North Quay to the southwest and Herschel Street to the southeast. Its address and main pedestrian entrance is from North Quay with car park access from Herschel Street. A traffic impact assessment was undertaken by the Developer. The report did not

identify any adverse effects on the traffic and transport network leading to, and surrounding, the new building.

39. Elevation views for the street faces of the building are provided at Annexure B.
40. Perspective renders of the building are provided at Annexure C.
41. The site is approximately 500 metres from the Queen Street Mall which has an extensive range of food and retail outlets.
42. There are multiple paid parking facilities within one kilometre radius from the new building.
43. The site is in close proximity to key public transport facilities including commuter rail, bus and ferry services. This includes:
 - a. Roma Street Train and Busway Station: 300 metres; and
 - b. North Quay Ferry Terminal: 750 metres.
44. The site was purchased by MJ Neilson Pty Ltd and is being developed in conjunction with Cbus Property Pty Ltd. The Works do not involve any land acquisition by the Commonwealth.
45. On 15 July 2020 the Developer lodged to the Brisbane City Council its original development application (A005493795), which was subsequently approved on 23 December 2020. On 22 September 2021 the Developer lodged a minor variation to the development application. The application seeks the building size reduction by 15,963 square metres (gross floor area) due to a change from a multi tenanted to a single tenant site. The variation does not impact the areas of the building to be occupied by the Agency. As at 12 November 2021, this variation is under assessment by the Brisbane City Council.
46. The Developer proposed to engage Hutchinson Builders as the contractor to deliver the Works. Hutchinson Builders is a national company with a strong local presence in Brisbane and are committed to local training, trade engagement and material sourcing.

Fit-out

47. The fit-out works will encompass:
 - a. Integration of services into the base building works including electrical, airconditioning, ventilation, lighting control, voice and data communications, audio visual equipment, security, fire and hydraulic services;

- b. Office accommodation including easily removable partitioning for individual offices, meeting and conference rooms, reception areas, utility and storerooms, secure rooms, training rooms, break-out and staff amenities and communication equipment rooms;
- c. Workstations (1.8 metres long by 0.8 metres deep) including desks with power cables and data reticulated in the workstation screens in addition to wireless to support mobility and the use of portable devices;
- d. Team and workstation based storage to support the staff and their operations;
- e. Personal lockers to cater for 20% more staff to allow for future flexibility; and
- f. Loose furniture including tables and chairs for meeting rooms and lunchrooms.

Planning and Design Concepts

48. The average office floor plate is approximately 1,567 square metres net lettable area with a central lobby, egress and bathroom area on each floor. The Agency will occupy the entirety of Levels 3 to 29 (inclusive) and a portion of Level 30. A concept fit-out plan of a typical floor is provided at Annexure D.

49. There are 14 offices for Senior Executive staff with all other staff seated at work points configured in an open plan layout.

50. The work points will be congregated in neighbourhoods (zones) assigned to the teams occupying the building. To support the open plan office configuration, there are 195 meeting and coaching rooms of varying size to facilitate meetings and private or confidential discussions.

51. Offices and meeting rooms will be located away from the perimeter to enable maximum efficiency with an open office layout and equitable access to natural light.

52. Building services including air conditioning, lighting, electrical distribution, fire protection and plumbing to kitchen facilities will be integrated with construction of the base building, resulting in cost savings to the Agency.

53. The use of wireless data connectivity will be implemented in the fit-out design to minimise installation of cabling.

54. Selection of audio visual equipment, such as television screens, will be finalised closer to the installation date to reflect current trends in presentation and teleconferencing technology.

Materials and Finishes

55. Materials and finishes used in the fit-out will be selected for appearance, durability, functionality and ease of maintenance and cleaning, while providing a pleasant environment for staff to work.

56. Typical materials and finishes will include:

- a. Glass for office and meeting room partitions;
- b. Plasterboard painted with washable acrylic paint;
- c. Fabric panels on workstation screens;
- d. Timber veneer or laminate finishes to workstations and meeting tables;
- e. Feature colours on selected painted walls; and
- f. Plasterboard and feature ceilings in key areas.

57. The external cladding of the building will not be combustible and will meet the requirements of the Queensland Development Code Part 2.5 – Use of External Cladding.

Environment, Heritage and Sustainability

58. The base building and fit-out will be designed, constructed, operated and maintained in order to use energy and water efficiently and comply with the following statutory requirements:

- a. Energy efficiency requirements of the National Construction Code (Volume 1, Section J); and
- b. Energy Efficiency in Government Operation (EEGO) policy.

59. For energy consumption the new building will be designed to meet a 5.5-star National Australian Built Environment Rating System Rating. The rating relates specifically to energy consumption and will be achieved by implementing the following:

- a. Rooftop solar photovoltaic system to offset electricity consumption;
- b. Airconditioning systems incorporating high efficiency water cooled chillers;
- c. Light Emitting Diode (LED) lighting;
- d. State-of-the-art Building Management System to control the plant;
- e. Lighting control systems throughout the tenancy and base building ensuring common area lights are switched off when not in use;

- f. Double glazed, thermally efficient glazing allowing a high level of natural light while reducing the solar heat load; and
- g. Minimised feature base building lighting.

60. The new building will be developed with the Brisbane City Council's 2016 New World City Design Guide: Buildings that Breathe (BtB) initiative in mind. The BtB is a voluntary guideline that encourages developers to introduce liveable and climate-friendly designs into their buildings, and it is underpinned by eight design elements being:

- a. Orientate yourself;
- b. Occupy outdoor spaces;
- c. Illuminate with daylight;
- d. Natural air and ventilation;
- e. Shade and protect;
- f. Living greenery;
- g. Identity matters; and
- h. Reduce energy and waste.

61. The new building is scheduled to include a wellness facility with end of trip facilities (such as change rooms, 363 bicycle spaces, 780 lockers and 88 showers) and a gym area. The wellness facility will also potentially allow for a 25 metre open air pool in sympathy with Brisbane City's "Buildings that Breathe" policy and the developer's expectations of potential future non-Commonwealth tenancy needs. Inclusion of the wellness facility is not a Services Australia requirement, but a developer's initiative to support longevity of their asset and provide potential community benefit. The exact nature of the wellness facility and its operation, including the pool should it be provided, will be worked out as part the detailed base building design.

62. There are no heritage issues in relation to the site.

Car Parking Provisions

63. The new building will feature a car park of 118 spaces, of which 104 will be for exclusive use by the Agency. The Agency's 104 car parking spaces will include spaces for disabled parking, fleet vehicles, Senior Executive staff and visitors.

64. Out of the nine Agency's existing sites identified for consolidation five are within two kilometres from the proposed new building. The other four sites are within 20 kilometres from the new building.

Accessibility

65. The new building will be designed to provide access to people with disabilities. The design includes:

- a. Compliance with the National Construction Code and Australian Standard 1428 Design for Access and Mobility;
- b. A separate accessible toilet on each floor;
- c. Suitable pedestrian access to the building;
- d. Accessible car parking spaces (23 car parking spaces incorporated within the 104 spaces for exclusive Agency use); and
- e. Accessible lifts and facilities in accordance with *Australian Standard 1735 Lifts, Escalators, and Moving Walks*.

Childcare Provisions

66. No on-site childcare facilities are proposed. There are numerous facilities within a two-kilometre radius from the site.

Lift Provisions

67. The Agency occupied levels within the new building will be accessible by lift. The lifts will be modelled on a population density of one person per 10 square metres net lettable area. The lift travel analysis was carried out meets the requirements for A Grade classification (Property Council of Australia Quality Grade Matrix 2019).

Security Provisions

68. The new building's physical security arrangements will be designed to comply with the requirements of the Government's Protective Security Policy Framework (PSPF). The physical security design will cover:

- a. Construction of the external perimeter and a compartmentalised communications room to meet Zone Two security requirements; and

- b. Individual physical security control elements, including:
 - i. Integrated Security Alarm System;
 - ii. Building Electronic Access Control Systems;
 - iii. Security Construction and Equipment Committee (SCEC) approved doors, locks and door hardware; and
 - iv. Closed-circuit television (CCTV).

Fire Protection

69. The new building brief requires provision of fire services in accordance with the National Construction Code and local Fire Brigade Authority requirements, including:

- a. Fire protection, detection systems, smoke hazard management and fire egress travel distances in accordance with:
 - i. National Construction Code;
 - ii. *Australian Standard 1670 Fire Detection, Warning, Control and Intercom Systems*; and
 - iii. *Australian Standard 2118 Automatic Fire Sprinkler Systems*;
- b. Battery operated self-contained emergency lights and exit signs connected to a computerised automatic testing system, including toilets, plant rooms and switch rooms, the office area and parking as per *Australian Standard 2293 Emergency Lighting and Exit Signs for Buildings System Design, Installation and Operation*;
- c. Emergency Warning and Intercommunication System (EWIS);
- d. Extinguishers and fire blankets;
- e. External and internal hydrant system;
- f. Internal fire hose reel system; and
- g. Ancillary alarm outputs to various building sub systems.

Hydraulic Services

70. The Hydraulic Engineering Service installations to the new building will be in accordance with *requirements of the National Construction Code and Australian Standard 3500 Plumbing and Drainage*.

Electrical and Communications Services

71. The electrical installation will include electrical supply, metering, distribution, lighting and special purpose power in compliance with the National Construction Code and *Australian Standard 3000 The Wiring Rules* as well as the surge protection devices and building lightning protection.

Mechanical Services

72. The Mechanical Engineering Service installations to the new building will be in accordance with the requirements of the National Construction Code and *Australian Standard 1668 The Use of Ventilation and Airconditioning in Buildings*.

Acoustics

73. The new building design incorporates measures to reduce noise in the work environment including double glazed external windows, acoustic ceiling tiles and carpeted floors.

74. Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements of the National Construction Code and the *Australian Standard 2107 Acoustics for Building Interiors*.

Details of Applicable Codes and Standards

75. The fit-out will comply with all statutory requirements including the National Construction Code, Brisbane City Council requirements, Australian Standards, and Government/Agency requirements. The Agency will ensure that all relevant codes and standards are included in the design and building briefs.

Building Certification

76. An accredited independent Building Certifier will be engaged to certify compliance of all works.

Work Health and Safety

77. In accordance with the requirements of the *Work Health and Safety Act 2011*, the fit-out design will include Safety in Design Workshops aimed at identifying risks associated with safety during both the building construction and subsequent operation.

78. The Agreement to Design, Construct and Lease requires the Developer to ensure their contractors and subcontractors comply with Work Health and Safety legislation of both the Commonwealth and the State of Queensland.

79. The Agency's client-side Project Manager, Jones Lang LaSalle Australia Pty Ltd, will be responsible to monitor the Developer's construction contractor's compliance with Work Health and Safety requirements.

Other Considerations

Impact on the Local Community

80. The Works are expected to have a positive effect on the local economy through:

- a. Creation of jobs during construction and fit-out works, such as consultants, construction workers, suppliers and related services, including:
 - i. 420 direct and 2,500 indirect jobs during the design and delivery phases;
 - ii. 90% of the workforce to be sourced locally from the Brisbane metropolitan area;
 - iii. 10 newly created apprenticeships or traineeships;
 - iv. Indigenous organisational-base (Builder) target of 3%;
- b. Use of locally sourced materials during construction;
- c. Ongoing support for local trades and services through future maintenance and supply requirements; and
- d. Support of local retail businesses frequented by Agency employees and visitors to the new building.

81. Some negative economic impacts may be experienced in locations where the existing leases are not extended. Due to the relatively low vacancy rate for office space in Brisbane (13.6%), this is unlikely to be a sustained impact.

Consultation

82. A formal consultative approach has been adopted to provide expert advice in relation to various aspects of the Works, including the detailed evaluation of tenders and the value for money assessment.

83. The following agencies and business have been consulted to date:

- a. Department of Finance;
- b. Jones Lang LaSalle Australia Pty Ltd (Property Leasing, Project Management and Facilities Management);
- c. arkLAB Architecture Pty Ltd (Architect);
- d. MBMpl Pty Ltd (Quantity Surveyor); and
- e. Cbus Property Pty Ltd (Developer).

84. No issues of concern were raised by the above stakeholders.

85. During the design development the Agency will undertake interactive design sessions with Agency's business areas to understand their requirements and ensure the design is fit for purpose.

86. Staff are key stakeholders and will be engaged from the commencement of Works through to relocation. Staff consultation will inform the fit-out design.

87. The Agency will engage with the Community and Public Sector Union as part of its activities on the Works.

Cost Effectiveness and Public Value

Works Cost Estimate

88. The estimated fit-out cost is \$89,357,000 (excluding GST) and includes contingency, project management, design and documentation and escalation to 2025. The cost estimate is based on the Agency undertaking an integrated fit-out. The cost estimate was prepared by the Agency's Quantity Surveyor, MBMpl Pty Ltd, based on the concept design for the site produced by the Agency's Architect, arkLAB Architecture Pty Ltd.

89. The estimated cost of \$2,045 (excluding GST) per square metre is attributable to the higher density proposed for the new building and reflects post COVID prices. The impact of COVID on the building industry is being felt through higher than average estimated construction costs. Factory shutdowns, lockdowns and a high demand for raw materials has driven up the cost of materials

such as timber (40%), glass (30%) and copper (15-20%). There is a high demand on the sector, with a low supply of both materials and labour across the entire building industry. The Agency has tried to factor this into our overall budget for the project, resulting in a higher than average cost per square metre for these works.

90. Funding for the lease and fit-out of the new building will be from the Agency's approved budget.

Value for Money Assessment

91. The Agency undertook a whole-of-life cost assessment and determined that the proposed development provides the best value for money property solution when compared to other shortlisted proposals including the renewal of the existing leases (status quo).

92. The Department of Finance reviewed the Cost Benefit Analysis and confirmed that it provides the best value for money solution.

Works Delivery

93. The lease mechanism is an Agreement to Design and Construct Lease which provides for the Developer to design and construct the base building and construct the integrated fit-out. Under this methodology, the Developer will be responsible for procuring the integrated works and fit-out trade packages in accordance with the Commonwealth Procurement Rules.

94. Jones Lang LaSalle Australia Pty Ltd will coordinate the fit-out design and construction, and will administer the Agency's obligations under the Agreement to Design and Construct Lease including achievement of the milestones.

Program

95. The key milestones of the Works are:

- a. Construction commencement: November 2021;
- b. Construction completion – building and fit-out:
 - i. October 2024 (Stage 1); and
 - ii. December 2024 (Stage 2);
- c. Relocations: October 2024 (Stage 1), December 2024 (Stage 2).

Revenue

96. There is no expected revenue from the Works.

Public Value

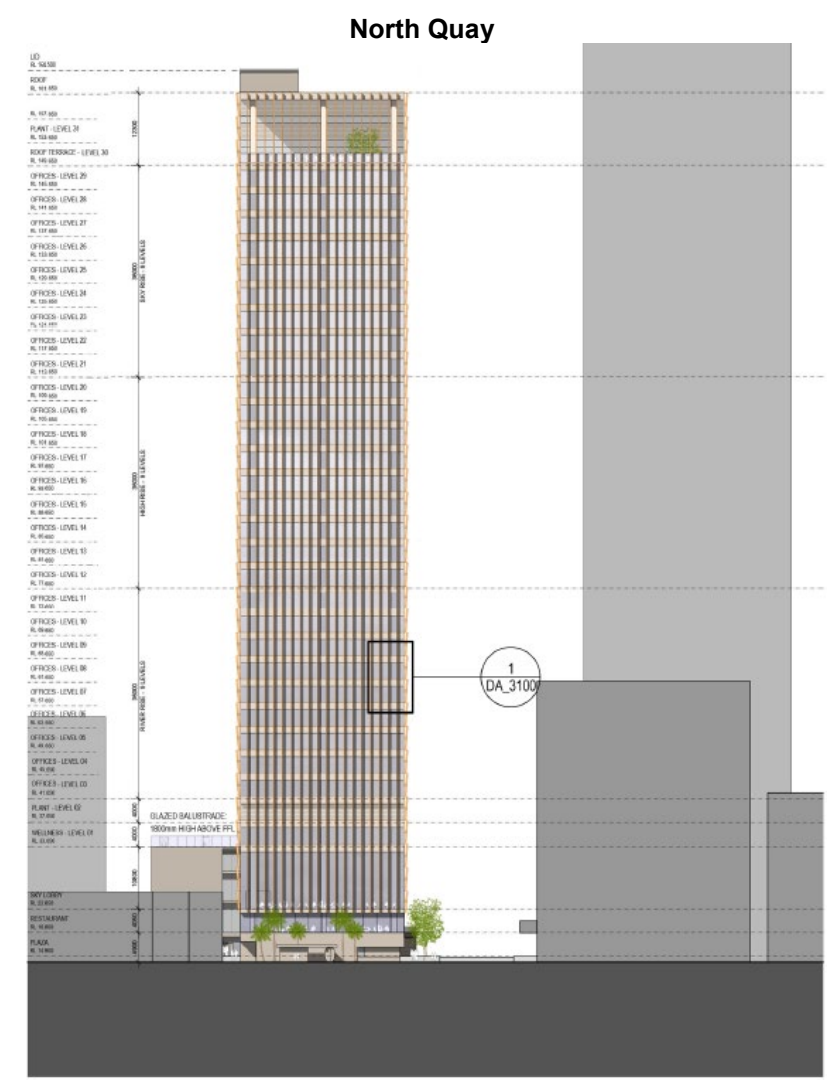
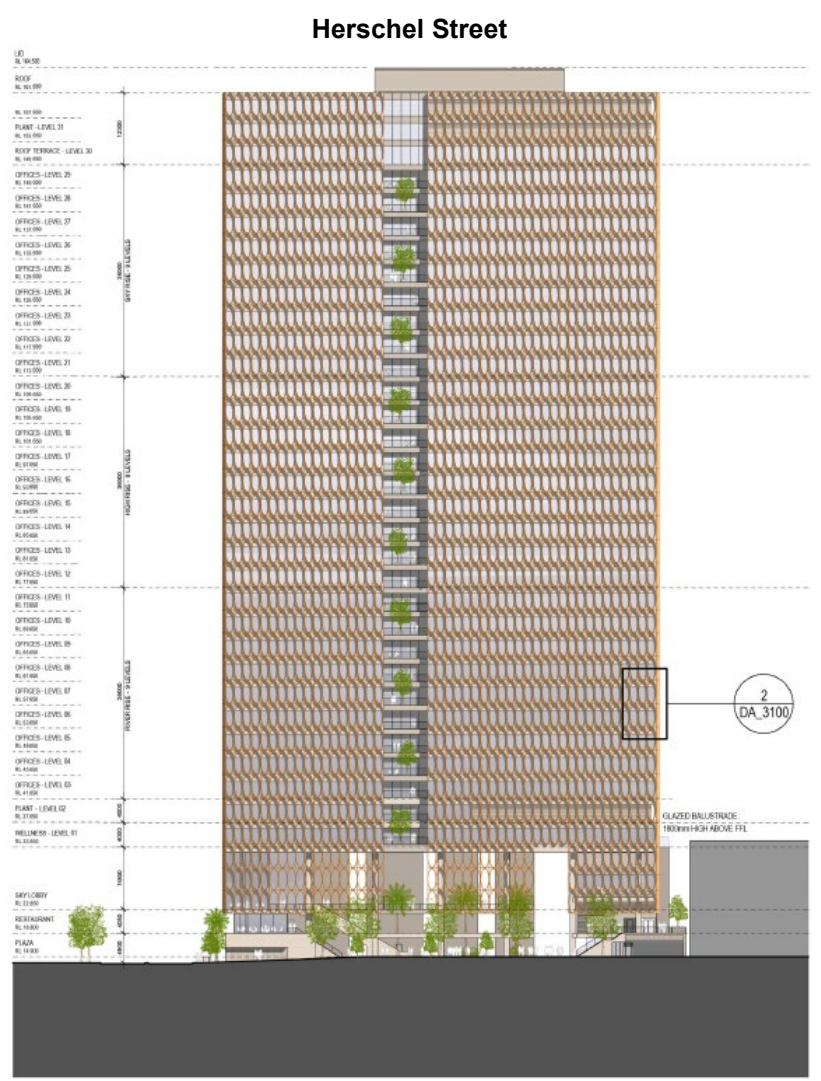
97. The public value associated with the Works includes:

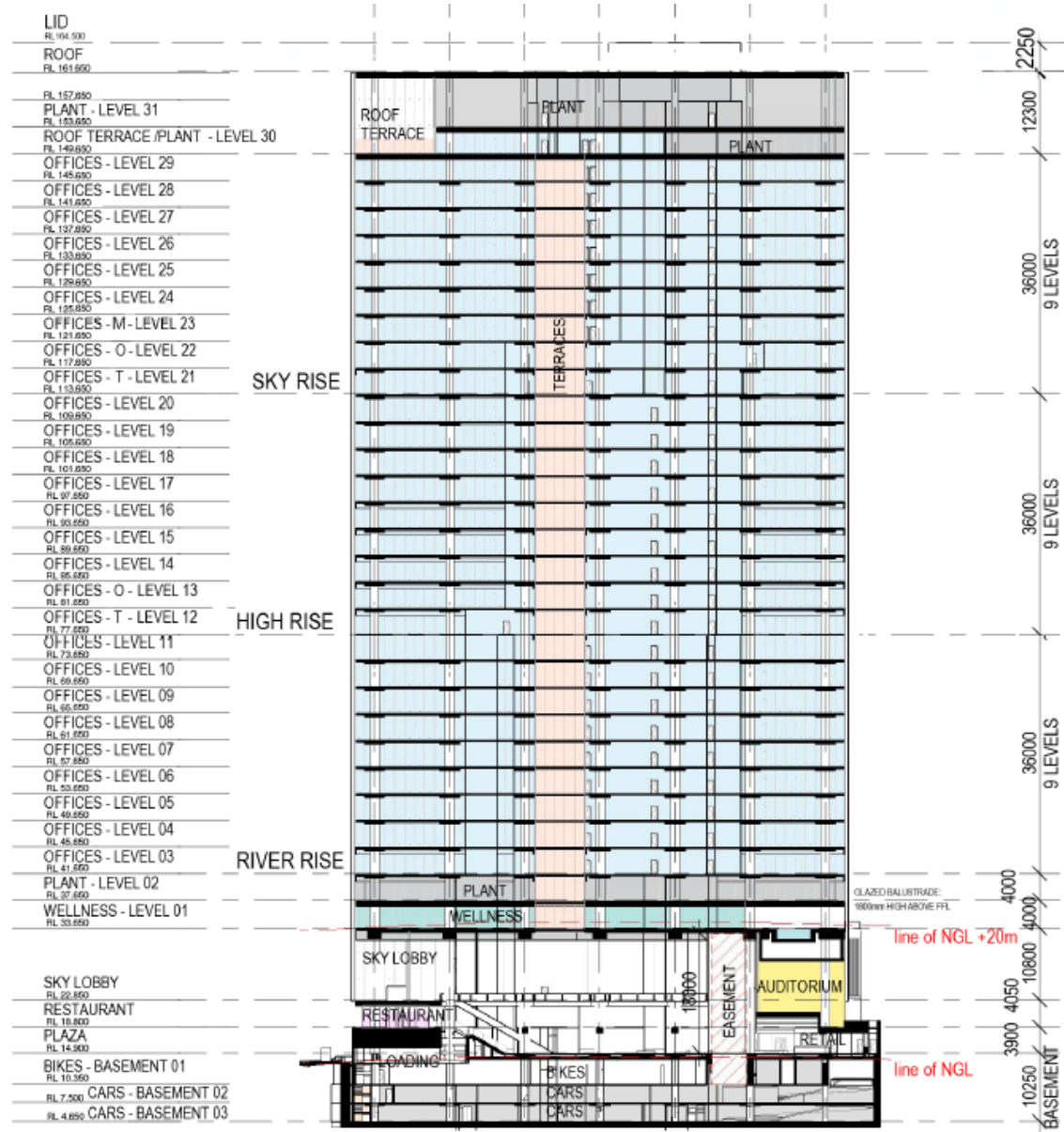
- a. Improvement in operational efficiencies derived from co-location of back of house and corporate Agency staff based in Brisbane into one site;
- b. Value for money from improved leasing costs at the new building;
- c. Improved Ecologically Sustainable Development (ESD) outcomes from modern and efficient building design and engineering systems; and
- d. Efficiencies from higher density and a reduction in the overall footprint of the Agency's operations in Brisbane.

Annexure A – Site Location Plan



Annexure B – Elevation Views





Annexure C – Perspective Renders

View from Brisbane River



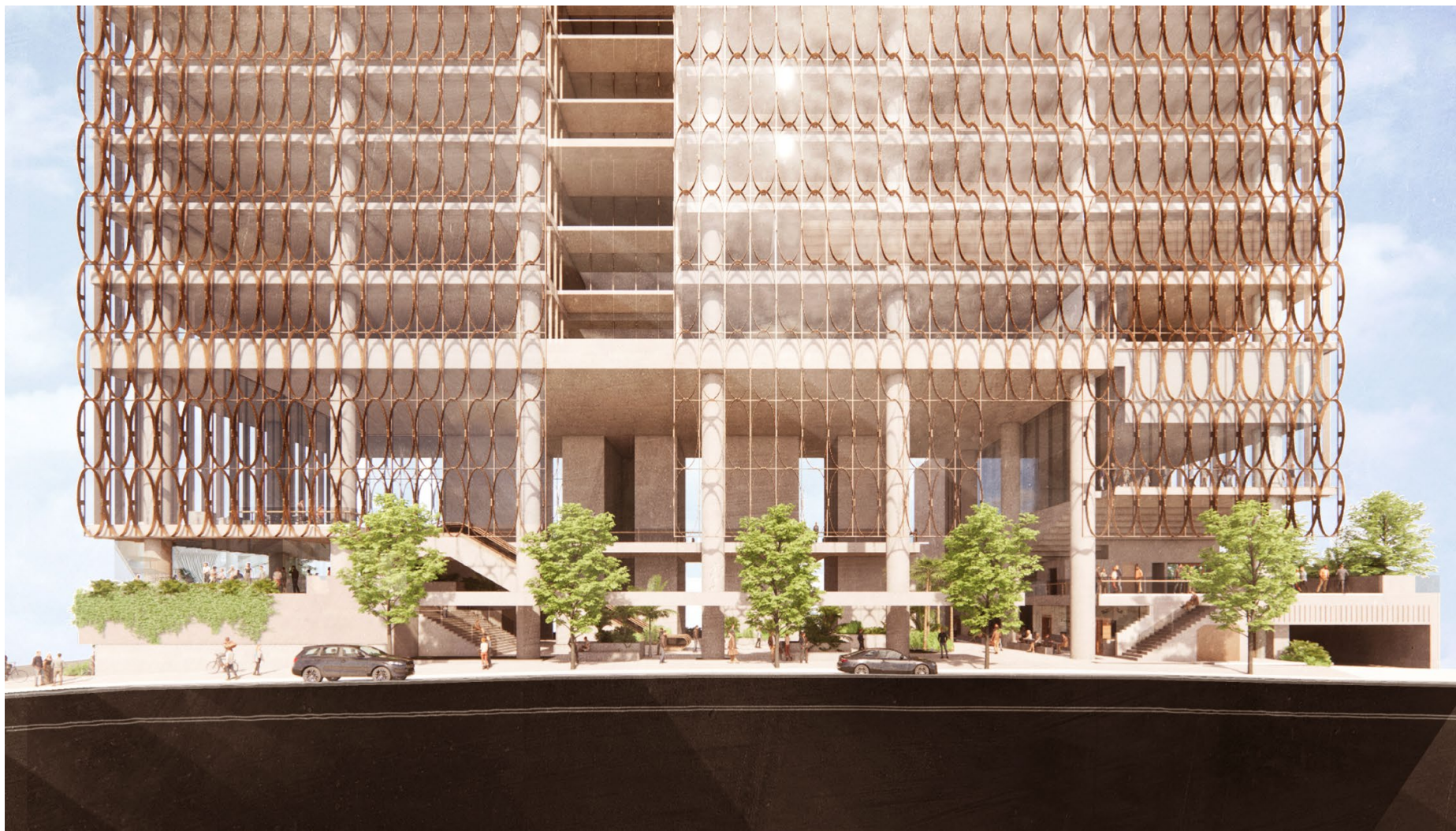
View from George Street



View from Corner of North Quay and Herschel Street



View from Herschel Street



Annexure D – Concept Office Fit-out Plan

