

SUBMISSION 1
MAIN DOCUMENT INCLUDING SITE DRAWINGS

TO THE
PARLIAMENTARY STANDING COMMITTEE
ON PUBLIC WORKS

PROPOSED FIT OUT OF NEW LEASED
PREMISES

FOR THE
DEPARTMENT OF EMPLOYMENT AND
WORKPLACE RELATIONS AND THE
AUSTRALIAN ELECTORAL COMMISSION

AT

THE SITE KNOWN AS
LONDON QUARTER
BLOCK 40, SECTION 100
CANBERRA CITY, ACT

SUMMARY

The Department of Employment and Workplace Relations (DEWR) and the Australian Electoral Commission (AEC (together the Departments)), alongside the Department of Education (DE (who has a memorandum of understanding for property services with DEWR)) have a significant presence and footprint in the Canberra Central Business District (CBD). With a combined workforce of approximately 5,500 and a current leased office footprint of over 90,000 square metres, the Departments and DE now have an opportunity to review how, and where, their work is undertaken and embrace a more flexible approach to workspace fit out that will reflect the shift in the way work has been performed over the last three years during the COVID-19 pandemic.

The Departments are currently located in eleven buildings across Canberra (nine of which are in the CBD) that are nearing end of lease. The current fit out condition at some of the sites is aged and does not meet current needs and work styles. Some of these ageing locations and inflexible fit out designs restrict the Departments' ability to undertake a variety of work in the most appropriate settings, resulting in an inefficient use of space.

In November 2020, the Departments tested the market through an Expression of Interest (EOI) to establish if there was a solution better suited to their future office accommodation needs. As a result of that initial EOI and a subsequent Request for Proposal (RFP), the Departments identified a new premises to be constructed in Canberra City at Block 40 Section 100 Canberra, known as London Quarter. The proposed new construction is near existing office buildings and public transport hubs (bus and light rail) and will have easy access to established and newly developed retail amenities.

London Quarter is a new development proposal by Walker Corporation (Developer) and delivers approximately 70,000 square metres of flexible, high-quality office space in a

campus style offering. The design is a single building across four cores and provides a fit out that delivers a more flexible and collaborative workspace that supports improved cross-team engagement and the flexibility to establish teams or projects across disciplines as required.

A flexible floorplate will allow for efficient use of space for staff and will cater for a wide variety of workspaces. The smart fit out design will deliver a workspace within the 14 square metre per work point density requirement as outlined in Resource Management Guide 500. The combination of a flexible floorplate and smart fit out design will also support the AEC to surge its workforce in the lead up to and during the delivery of election events.

Unlike some of the Departments' existing office accommodation, the proposed performance of the new building will meet, and exceed, the requirements of several current Government policies including energy efficiency. It is a current requirement of the Energy Efficiency in Government Operations (EEGO) policy that new leases over 2,000 square metres achieve a minimum 4.5-star National Australian Built Environment Rating Scheme (NABERS) energy rating. The proposed solution at London Quarter will be designed to have a full electric energy supply and meet a 5.5-star NABERS energy rating with a potential to achieve 6-star NABERS energy rating once in operation. In addition to the energy rating, the building will also achieve a minimum of 4-star NABERS whole building water rating, with aspirations of achieving 5-star NABERS whole building water rating once in operation. The Departments have sought the advice of the Department of Finance, who is leading work on the Net Zero policy for the Australian Public Service, to ensure conformance with future Government environmental policies, including net zero requirements in a building with a full electric energy supply and a 5.5-star NABERS energy rating. The Department of Finance has confirmed that there is little to no risk of non-conformance with future Government environmental policies for London Quarter.

The Departments (including DE) expect to be the sole occupants of the office building with the ground floor available for retail and commercial outlets. The building offers considerable operational savings through the implementation of high energy efficient technologies and maintaining a single site for the Departments' staff located in the Canberra CBD.

As the integrated fit out for London Quarter is regarded as Public Works under the *Public Works Committee Act 1969*, this submission is brought before the Committee for consideration.

It is anticipated that fit out construction costs will be in the order of \$149.62 million (excluding GST), which equates to a rate of approximately \$2,119 per square metre (excluding GST). This is in the medium range for costs associated with Commonwealth government fit outs in the current market conditions.

The development at London Quarter will conform to all relevant building codes and practices. The Departments are paying high regard to compliance and best practice with workplace health, safety, diversity and inclusion and environmental codes. The occupation of this building will continue to stimulate growth in the Canberra CBD precinct and will generate significant local employment through the construction phase.

In view of the above, the Departments bring this submission before the Committee for consideration.

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1 IDENTIFICATION OF NEED

1.1 Objectives

- 1.1.1 The Departments are currently located across a number of sites within the Canberra CBD. The buildings are a mix of Property Council Australia (PCA) A Grade and PCA B grade buildings, with varying levels of fit out quality.
- 1.1.2 The Departments want to lease and fit out a building within the general location of current business operations, whilst giving the opportunity to increase operational efficiency through colocation at a single site, enable greater collaborative work practices, provide a consistent experience for all staff, and enable a more efficient use of workspaces. There will be advantages and cost savings in reducing duplicate services that currently exist due to operating separate sites in the Canberra CBD.
- 1.1.3 On 1 June 2022, the Governor-General, acting on the advice of the Federal Executive Council, made an Administrative Arrangements Order to commence on 1 July 2022.
- 1.1.4 The orders state that the Department of Education, Skills and Employment (DESE) would become the Department of Education and a new entity will be created, the Department of Employment and Workplace Relations.
- 1.1.5 DEWR enables access to quality skills, training and employment to support Australians find secure work in fair, productive and safe workplaces – supporting individuals, businesses and the nation to prosper.
- 1.1.6 The AEC maintains an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programs. The role of the AEC is to deliver the franchise that is, an Australian citizen's right to vote as established by the *Commonwealth Electoral Act 1918*.

- 1.1.7** DE contributes to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education and learning.
- 1.1.8** For this project, DE will be represented by DEWR as the property management lead agency. DEWR and the AEC will work collaboratively to deliver this joint agency tenancy fit out.
- 1.1.9** The Departments (and DE) are currently located across eleven sites in Canberra (nine of which are in the CBD with two others in Dickson and Barton transferred to DEWR through the recent machinery of government changes). The leases on these sites are due to expire as listed in Table 1.

Table 1: The Departments' Canberra portfolio.

| Property name/ address | Area (m ²) | Lease Expiry |
|--|------------------------|--------------|
| DEWR 140-180 City Walk, Civic | 10,874 | 31/03/2024 |
| DEWR 10 Mort Street, Civic | 322 | 24/03/2025 |
| DEWR 12 Mort Street, Civic | 6,486 | 24/03/2025 |
| DEWR 14 Mort Street, Civic | 9,384 | 24/03/2025 |
| DEWR 50 Marcus Clarke Street, Canberra City | 39,903 | 23/05/2025 |
| DEWR 50 Marcus Clarke Street, Canberra City | 333 | 24/05/2025 |
| DEWR 12 Moore Street (Level 5 and 6) Canberra City | 1,756 | 17/10/2023 |
| DEWR 12 Moore Street (Level 3 and 4) Canberra City | 1,815 | 17/10/2024 |
| DEWR 11 Moore Street (Level 2 and 3) Canberra City | 2,290 | 31/03/2023 |
| DEWR 11 Moore Street (Level 5) Canberra City | 1,158 | 28/02/2023 |
| DEWR 15 National Circuit (Level 1), Barton | 2,222 | 31/05/2023 |
| DEWR 496 Northbourne Ave (Level 2 and 3) Dickson | 2,083 | 30/11/2022 |
| AEC 10 Mort Street, Canberra City | 7,480 | 24/03/2025 |
| AEC 12 Mort Street, Canberra City | 1,110 | 24/03/2025 |
| AEC 4 Mort Street, Canberra City | 1,008 | 28/10/2023 |
| AEC 73 Northbourne Avenue Canberra City | 2,007 | 31/10/2022 |
| Total area | 90,231 | |

1.2 Background

- 1.2.1** The Departments currently lease approximately 90,000 square metres of office space in the ACT with around 85,000 square metres in the Canberra city precinct.
- 1.2.2** Leases over the majority of existing buildings will expire between October 2023 and May 2025. Short-term lease extensions and the absorption of surge space into current buildings, will allow the Departments to continue operations until the fit out of London Quarter is complete in March 2026.
- 1.2.3** The existing conditions at some current sites are aged, require extensive base building upgrades (e.g, bathrooms, kitchens and lifts) and a new office accommodation fit out to meet the Departments' and Commonwealth's building requirements and expectations. Some of the existing buildings do not comply with the whole of building NABERS energy rating requirement under the EEGO policy, or the Commonwealth Property Management Framework (RMG 500) Guideline density target of 14 square metres per occupied work point.
- 1.2.4** The Departments' current office accommodation arrangements are unsustainable and inflexible. To ensure the Departments' workspaces are aligned with new ways of working, the Departments, in line with the recommendations of the Commonwealth Leasing Strategy (managed by the Department of Finance) , sought an EOI for office accommodation in the Canberra CBD. In accordance with the Commonwealth Procurement Rules, the procurement exercise was finalised through a second stage RFP. Following a tender review process the preferred proposal was to lease a newly constructed premises offered at Block 10 Section 100, Canberra City, Australian Capital Territory.
- 1.2.5** The recommended proposal for a new site meets the Departments' requirements by providing:
- (a) Modern, A-Grade office space;
 - (b) Proximity to public transport via bus interchange and light rail networks;

- (c) Superior environmental credentials that meet, current requirements set out in the EEGO policy and are well positioned to meet future changes in government environmental policy;
- (d) Suitability for a fit out that meets Commonwealth Property Management Framework (RMG 500) guidelines requirements; and
- (e) Value for money, and an improved financial outcome for the Commonwealth.

1.2.6 The Departments have committed to an ongoing business requirement to maintain a presence in Canberra. Given the current office accommodation leases are expiring between 2023 and 2025, there is a significant operational risk if the Departments do not commit to a course of action for accommodation beyond these dates.

1.3 Market test

- 1.3.1** Ventia Property (Ventia) is contracted under whole of government arrangements to provide property management services to the Departments, working with Colliers as their subcontractor to deliver leasing services.
- 1.3.2** On 30 November 2020, Colliers issued a Request for EOI via AusTender on behalf of the then DESE and the AEC for the procurement of leased office accommodation in Canberra.
- 1.3.3** Seventeen (17) responses were submitted by the due date of 24 March 2021.

1.4 Evaluation process and methodology

- 1.4.1** An Evaluation Committee (EC) was established, and a methodology was designed to objectively assess the best tender on a value for money basis.
- 1.4.2** The EC assessed the EOI responses against the following technical criteria:
 - (a) Built Form and Lease: Compliance with the Accommodation Requirements;
 - (b) Site: Suitability for Commonwealth operational requirements, amenities and proximity to public transport; and

- (c) Capability, experience, and previous performance of the Respondent (as applicable in relation to designing, constructing, and leasing commercial office accommodation).

1.4.3 The EC assessed the EOI responses against the following non-technical criteria:

- (a) Economic benefit to the Australian economy;
- (b) Indigenous Procurement Policy;
- (c) Pricing;
- (d) Financial Viability; and
- (e) Any risks identified as part of the Response, including conflicts of interest and the level of compliance with the EOI.

1.4.4 The EOI responses were short-listed and presented to the Departments for endorsement. This process resulted in consideration of eleven (11) submissions for final proposals. The following proposals were endorsed to proceed to the RFP stage:

- (a) Eight (8) proposals for the site Block 40, Section 100, Canberra;
- (b) 7 London Circuit and 18 Marcus Clarke Street, Canberra;
- (c) 8-14 London Circuit, Canberra; and
- (d) 50 Marcus Clarke Street (existing site).

1.4.5 Due to the unique arrangements with ACT Government holding development land in Canberra, eight (8) of the proponents were for different buildings on the same site (Block 40, Section 100, Canberra).

1.4.6 On 1 November 2021, Colliers called for RFP via AusTender from the eleven (11) proponents short-listed as part of the EOI process. Seven (7) proposals were received by the due date of 7 January 2022.

1.4.7 The EC assessed the RFP submissions against the following technical criteria:

- (a) Built Form and Lease: Compliance with the Accommodation Requirements;
- (b) Site: Suitability for Commonwealth operational requirements, amenities and proximity to public transport; and

- (c) Capability, experience and previous performance of the Respondent (as applicable in relation to designing, constructing and leasing commercial office accommodation).

1.4.8 The EC assessed the RFP submissions against the following non-technical criteria:

- (a) Economic benefit to the Australian economy;
- (b) Indigenous Procurement Policy;
- (c) Pricing;
- (d) Financial Viability; and
- (e) Any risks identified as part of the Response, including conflicts of interest and the level of compliance with the EOI.

1.5 Preferred tenderer

1.5.1 Following the EOI and RFP process, the Walker Corporation proposal at Block 40 Section 100, Canberra was considered the best value for money option and held significant advantage on a financial and non-financial basis, including:

- (a) The considerable advantages of moving to a new building and the opportunities this provides in terms of building design, performance, long term viability and maintenance;
- (b) The avoidance of refurbishment works cost and disruption should the existing building be re-leased, including the need to acquire staging space during the refurbishment process;
- (c) The advantage to design floor plans and fit out that specifically meet the needs of the Departments as the new building is designed and constructed;
- (d) Expected more efficient building performance and infrastructure that will generate savings in operations and energy, security and cleaning costs in the long term;
- (e) The ability to relocate staff seamlessly into new accommodation, minimising disruption to Departments' business operations; and

- (f) The provision of a long-term solution for the Departments' property requirements for the next 15-25 years.

1.5.2 The Departments will be entering into a 15-year gross lease arrangement to occupy as tenants in the London Quarter development.

1.5.3 Other proposals did not reach preferred status for a range of reasons, including:

- (a) comparative cost of the proposals;
- (b) technical response levels of the proposals;
- (c) compliance to legal documentation;
- (d) compliance with Departments' base building requirements; and
- (e) doubt as to the adequacy of the building upgrades being offered in the case of some existing buildings bids.

1.6 Lease negotiations for preferred proponent

1.6.1 Following the assessment process which identified Walker Corporation's London Quarter as the option providing the best value for money, the Departments' Executive instructed Ventia and Colliers to enter into negotiations with Walker Corporation to identify commercial terms that would be agreeable to both parties.

1.6.2 Walker Corporation was advised by Colliers that it was the preferred proponent, for the provision of approximately 70,000 square metres of office accommodation. The selection was subject to the satisfactory conclusion of negotiations on commercial terms and gaining necessary Government approvals, including Public Works Committee approval. All financial aspects, including approvals pursuant to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), have been resolved and lease endorsement has been provided by the Minister for Finance. All commercial terms and conditions have been successfully negotiated and an Agreement for Lease (AFL) has been executed.

1.7 Submission to Public Works Committee (PWC)

- 1.7.1** When the Departments sought proposals as part of the EOI, they requested the option to integrate the fit out of the selected accommodation simultaneously with the construction of the base building to reduce cost and risk. This option was reflected in draft lease documentation that was distributed to all parties who were requested to submit RFP documentation.
- 1.7.2** As a new construction has been selected, the need to pursue an integrated fit out has become paramount. Concept designs for the base building of London Quarter are being finalised, affording the Departments the opportunity to fully integrate the design and construction of the fit out with the design and construction of the base building.
- 1.7.3** As the fit out of the proposed accommodation is regarded as ‘public works’ for the purposes of the *Public Works Committee Act 1969*, this submission has been referred to the PWC for its consideration.

1.8 Proposed outcome

- 1.8.1** The proposed solution will address the deficiencies and inadequacies of the Departments’ current leased office footprint across Canberra including the ageing infrastructure. This will be resolved by the Departments co-locating in a purpose-built and efficient building. The new fit out will address the inflexibility of existing fit outs and increase access to appropriate workspaces, conference rooms and meeting/training facilities. This in turn will provide a significant improvement in administrative and environmental efficiencies to both management and staff.
- 1.8.2** The new fit out construction and allocation of space to staff will be in accordance with RMG 500 requirements, including fit out density of one person to a maximum of 12 square meters of Net Lettable Area (NLA).

1.9 Description of proposed new premises

- 1.9.1** The new building will be located at Block 40 Section 100 Canberra. The building will consist of commercial office space (of which the Departments will be the sole tenant), retail, commercial and hospitality use on the ground floor and associated basement car parking.
- 1.9.2** London Quarter will be a commercial office development which, based on current plans, comprises one building with four interconnected cores and basement car parking.
- 1.9.3** Each building core will consist of:
- Basement 1 & 2 – 1900 sqm – tenant storage
 - Core 1 – 22,832 sqm – Ground to Level 11
 - Core 2 – 20,403 sqm – Ground to Level 7
 - Core 3 – 17,521 sqm – Ground to Level 11
 - Core 4 – 9,675 sqm – Ground to Level 7
- 1.9.4** London Quarter will provide the Departments with approximately 70,000 square metres of NLA over 11 floors in cores 1 and 3, and seven floors in cores 2 and 4.
- 1.9.5** The large floor plates, ranging from 2,310 square metres to 8,510 square metres will provide the Departments with significant flexibility and efficiencies in the allocation of space and fit out design.
- 1.9.6** As this project develops, details covering the exact number of floors and NLA may change to reflect the requirements of ACT Government and the National Capital Authority (NCA) and conditions on the planning permit allocated. No changes will be made without full agreement from the Departments.
- 1.9.7** The Departments and Walker Corporation have agreed to a 5% construction tolerance allowance (an acceptable minimum NLA and a maximum NLA).
- 1.9.8** The solution comprises:
- (a) A combination of PCA A and Premium grade standards;

- (b) The provision for approximately 650 Commonwealth car parking spaces (including mobility access) secure basements and approximately 200 public car parking spaces, including electric vehicle charging;
- (c) Approximately 1900 square metres of storage area; and
- (d) Retail tenancies on the ground floor.

1.9.9 The site is well located with surrounding development comprising mostly commercial offices, apartments, and retail.

1.9.10 The site is located approximately 400 metres from some of the currently occupied sites of the Departments.

1.9.11 The site itself has excellent street frontage along London Circuit and Northbourne Avenue.

1.9.12 The site is well serviced by public transport. It is positioned close to the bus interchange and the light rail.

1.9.13 The Departments are looking to create maximum flexibility in how they use the accommodation by delivering consistent workspaces across the site. The adoption of universal space planning and design principles will provide flexibility across the fit out which will enable creative working spaces when required by each Department, including quiet meeting rooms, project rooms, and collaboration hubs. This flexibility will also support the AEC to surge its workforce in the lead up to and during the delivery of election events.

1.9.14 Fit out specifications are being developed in consultation with staff and industry experts to ensure that all essential Departmental and legislative requirements are met. Fit out design and specification will meet the *Disability Discrimination Act 1992* both in respect of access for clients and staff, including wheelchair access to the building and office areas, door widths and height, lift arrangements, parking, toilets, and access to counter facilities.

1.9.15 The fit out design is predominantly open plan with modular workstations supported by enhanced meeting capacity, breakout areas and support facilities. Offices and formal meeting areas will be in the core of the building to maximise the use of natural light for staff. Offices and meeting spaces will be modular and fully interchangeable as business requirements dictate.

1.10 Environmental issues

1.10.1 The proposed building works will comply with, and exceed, the Commonwealth guidelines relating to energy efficient buildings and meet a 5.5-star base building NABERS energy rating. Fit out of the building will also be designed to meet at least a 4.5-star NABERS energy rating, specific to the fit out.

1.10.2 London Quarter will set a new benchmark for sustainable commercial environments in Canberra, with sustainability and high-quality environments considered in every aspect of the design. The building will have a full electric energy supply and thoroughly considered design and innovative sustainable solutions position London Quarter as resilient, future-focussed premises for the Departments.

1.10.3 In addition to the energy rating, the building will also achieve a minimum of 4-star NABERS whole building water rating.

1.10.4 Once in operation, the building will have potential to achieve a 6-star NABERS energy rating, with aspirations of achieving 5-star NABERS whole building water rating.

1.10.5 The Department of Finance who is leading work in the Net Zero policy for the Australian Public Service advises that there is little to no risk of non-conformance with future Government environmental policies including net zero requirements in a building with a full electric energy supply and a 5.5 star NABERS energy rating.

1.10.6 The Green Lease Schedule and the Department of Climate Change and Energy Efficiency submission form are attached in Annexure C.

1.10.7 Development of the site will:

- (a) have no significant impact on the natural or human environment;
- (b) encourage improved utilisation of existing public facilities and transport infrastructure;
- (c) make use of existing engineering services including water, sewerage and storm water in the area; and
- (d) have a positive effect on the local economy via the creation of jobs during base building construction and fit out works.

1.10.8 The high-performance building structures and sustainable design principles will ensure a high energy rating throughout the life cycle of the buildings to be constructed at London Quarter.

1.10.9 The following are specified in the building brief to minimise energy usage and operating costs, without a reduction in accommodation standards:

- (a) The building will comply with and exceed the required Commonwealth's EEGO Policy NABERS rating of 4.5-stars;
- (b) Floor plan layouts are configured to enhance the level of natural daylight into office floors;
- (c) The Building Management System will monitor and control lighting, mechanical services, energy, lifts and water supply;
- (d) High efficiency glazing is to be provided;
- (e) High efficiency low temperature VAV air conditioning technology;
- (f) LED lighting is to have electronic ballasts and high efficiency;
- (g) Lighting is to be controlled by an electronic system to reduce energy use, especially in unoccupied areas and out-of-hours; and
- (h) Acoustic efficient levels that meet or exceed current standards.

1.10.10 To maximise the ecologically sustainable design impact of London Quarter development, the following have been included in project delivery:

- (a) Rainwater recycling;
- (b) Access to natural light is to be maximised while avoiding direct sun penetrations into the building;
- (c) Facilities such as bicycle storage, showers, change rooms and lockers to encourage staff to ride or walk to work;
- (d) Increased reliance on renewable materials;
- (e) Emissions minimisation;
- (f) Alignment with GreenStar V1 5-stars
- (g) Wellness gold rating for occupant wellbeing and amenity;
- (h) Source control of pollution and waste during construction;
- (i) Efficient energy use; and
- (j) System maintenance and waste avoidance.

1.10.11 The building will have a custom tailored healthy-building approach with smart and innovative amenities, including touchless surfaces, advanced indoor air quality monitoring and advanced thermal comfort.

1.10.12 The Developer plans to install rooftop solar array which will produce an estimated 400kW of power onsite.

1.10.13 The Departments will have high efficiency computer monitors that use significantly less power and give off less heat. This places a significantly lower heat load on the air-conditioning system with resultant lower energy consumption and costs.

1.10.14 The building will have in place the following water usage reduction measures:

- (a) Rainwater collection and re-use;
- (b) Dual flush low volume cisterns for all toilets;
- (c) Flow restriction devices to be fitted to all fixtures; and

(d) Auto flushing urinals.

1.10.15 The lessor's responsibility for ongoing environmental management of the building is specified in the lease.

1.10.16 Individual after-hours air-conditioning zones will be operated by push on/off buttons. This allows the system to provide only as much heating/cooling as required outside standard operating hours (7:00am to 7:00pm business days).

1.10.17 Provision of one (1) supplementary cooling water loop allows for 24-hour cooling of specialised communications areas without the need for the main chillers to be running at full capacity.

1.11 Heritage considerations

1.11.1 There are no known heritage issues that are required to be addressed with this proposal.

1.11.2 The building will conform to the requirements of the *Environment Protection Biodiversity Conservation Amendment Act 2003*.

1.12 Details of organisations consulted

1.12.1 A formal consultative approach has been adopted to provide expert advice in relation to various aspects of the project. The following agencies and businesses have been consulted to date:

- (a) Department of Finance;
- (b) Department of Industry, Science and Resources;
- (c) Australian Building and Construction Commission;
- (d) Clayton Utz (Legal Services);
- (e) Ventia Property (Project Management and Facilities Management);
- (f) Colliers (Property Leasing);
- (g) DJAS (Architects);

- (h) IA Group (Architects);
- (i) Acor (Services Engineers);
- (j) T&T Partnership (Quantity Surveyors); and
- (k) That Works (Change Management).

1.12.2 Further description of consultation within the Departments is detailed at section 2.19.

1.13 Amount of revenue, if any, derived from the project

1.13.1 The operating cost benefits from the reduction in energy consumption and maintenance of ageing fit out will also contribute to the overall savings.

1.13.2 There is no direct revenue from this project.

2 TECHNICAL INFORMATION

2.1 Location

2.1.1 The Departments' fit out is part of the London Quarter development. Annexure B provides a site diagram.

2.2 Scope of work

2.2.1 The Departments will lease the office accommodation for fifteen years with two by five-year extension options and propose to undertake an integrated office fit out as part of the development.

2.2.2 The works include:

- (a) Base Building – Integration of services into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services;
- (b) Supplementary air-conditioning in those rooms with higher-than-normal cooling and ventilation requirements including larger meeting rooms, training rooms, computer rooms and amenities rooms;
- (c) A lighting control system to reduce energy consumption in tenant areas including the ability to automatically turn off lights in unoccupied rooms and to provide reduced lighting levels when appropriate, for example reduced lighting levels for access after-hours. Some additional lighting will be provided as required in partitioned rooms;
- (d) Data cabling throughout the tenant areas including phone and computer outlets at each work point. The cabling infrastructure will be designed to cater for future capabilities including a greater reliance of Wi-Fi networks to reduce cable infrastructure and increase flexibility;

- (e) Tenant fit out will be undertaken to conform to the Departments' operational requirements including physical and electronic security. These include door hardware and electronic access control at the main entrances, other entrances, exits, vehicle access points and internal areas with higher security needs;
- (f) Supplementation of the base building fire services where required as a result of the fit out works to ensure compliance with relevant codes. These services include additional exit lights, fire detection and sprinkler supplementation as necessary. Highly sensitive fire detection equipment will be installed in the IT telecommunications rooms;
- (g) Architectural designed office accommodation including construction of reception areas, a security alarm system, an electronic access control system, general office fit out and open plan work areas;
- (h) Standardised office sizes have been designed for multipurpose applications of small, medium and large meeting rooms;
- (i) Generic workstations combined with collaboration and teamwork focused areas;
- (j) Most offices and meeting rooms are to be constructed in the central cores so as not to limit natural light from external windows;
- (k) A Command Centre facility, required by the AEC to monitor specific operational activities and functions
- (l) Customer service areas;
- (m) Breakout spaces, quiet rooms and casual meeting space;
- (n) Computer rooms built to specification;
- (o) Storage facilities;
- (p) Conference and training facilities;
- (q) First Aid and multipurpose rooms;
- (r) Amenities areas;

- (s) Kitchens;
- (t) Showers and lockers; and
- (u) Secure areas.

2.2.3 Space allowances for individual work points will be reviewed as part of a full requirement analysis to bring, or better, the Departments' standard workstation design in line with the Property Management Framework (RMG500) density requirements.

2.2.4 The building design and fit out will provide the Departments considerable flexibility to meet its ever-changing accommodation requirements. This will be achieved through:

- (a) Work points that can easily and quickly be reconfigured without disturbing productivity;
- (b) Maximising the use of open plan areas;
- (c) Ensuring the enclosed areas are capable of being altered easily to allow for future change, e.g. the utilisation of modular meeting room design so that two small meeting rooms will also satisfy the requirements of one large meeting room with minimal additional building works;
- (d) Building services that are located to allow for repositioning of walls, work point layouts and accommodation changes in technology; and
- (e) A robust security system that protects the Departments' information, people, assets and operations.

2.2.5 Conceptual Floor plans have been finalised. See Annexure B.

2.3 Zoning and approvals

2.3.1 Planning approval on this site is the responsibility of ACT Government. The site has a current application in for a Development Approval. Additional building approvals will be staged and applications made by the Developer as required to meet the construction program.

2.3.2 When appropriate, works approval will be sought from other Commonwealth entities, including the NCA and relevant ACT Government authorities. The NCA has been

engaged by Walker Corporation to ensure the development is compliant with the National Capital Plan.

2.3.3 Fit out of the building will be integrated with base building construction and managed by the Developer.

2.3.4 A lease incentive has been offered by the Developer to contribute to the cost of the fit out. A recommendation to Parliament to proceed with the fit out of the building is thereby sought from the Public Works Committee.

2.4 Land acquisition

2.4.1 The site is currently owned by ACT Government.

2.4.2 Walker Corporation has entered into a conditional Land Sale Contract with the ACT Government (City Renewal Authority) for Block 40 Section 100 Canberra. The Land Sale contract is conditional upon the AFL.

2.4.3 Walker Corporation will be acquiring the land and developing the site.

2.5 Codes and standards

2.5.1 The fit out will comply with all statutory requirements including National Construction Code (NCC), and the relevant Australian Standards. The Departments will ensure that all relevant codes and standards are included in design and building briefs, including the National Code of Practice for the Construction Industry, and the guidelines from the Office of the Federal Safety Commissioner.

2.6 Planning and design concept

2.6.1 The quality of building finishes and services will be designed to a combination of PCA A and Premium grade standards in accordance with the PCA Office Quality Grade Matrix.

2.6.2 Security and data cabling advice from relevant security experts will be sought and incorporated into the design concept.

2.6.3 The building fabric will be composed of transparent façade elements. The building is to be designed to meet environmental expectation now and into the future. The building features include:

- (a) High performance low 'E' glare resistant and low reflectivity glazing;
- (b) Sun shading devices to the North and eastern facades;
- (c) Thermal controls; and
- (d) Central services at each of the cores.

2.6.4 A perimeter column grid with minimal freestanding columns is planned for London Quarter. The floor plates are easily divisible to suit several fit out options.

2.6.5 Carpet tiles will be fitted to general office areas and high-quality ceramic tiles with hard-wearing surface to the entry lobbies.

2.6.6 General engineering service installations will specifically address the following criteria:

- (a) Proven reliability and performance;
- (b) Ease of maintenance and replacement;
- (c) Energy efficiency;
- (d) Environmental responsibility and cost effectiveness;
- (e) Flexibility for churn works; and
- (f) Minimum noise and vibration characteristics.

2.6.7 Work points will be based on individual modular workstations that preserve views and light penetration into the building. Work points will allow for the future installation and operation of new technologies. They significantly utilise the floor areas more effectively and provide opportunities for accommodating additional facilities such as open meeting areas and common spaces.

2.7 Mechanical Services

2.7.1 Mechanical engineering services will be based on the following principles:

- (a) Minimum noise and vibration characteristics;
- (b) Reasonable maintenance costs;

- (c) Proven design;
- (d) Reliability;
- (e) Durability;
- (f) Ease of maintenance without entry to tenant areas;
- (g) Ease of replacement;
- (h) Efficiency of operation; and
- (i) Environmentally sustainable principles.

2.7.2 The base building air conditioning system at London Quarter will use low temperature Variable Air Volume technology to provide high energy efficiencies.

2.8 Hydraulic Services

2.8.1 Hydraulic engineering service requirements will include the following provisions:

- (a) Domestic cold-water reticulation serving all fixtures and required back flow prevention in each case;
- (b) Domestic hot water with energy efficient pre heat independent of the system serving the mechanical services installation;
- (c) Suspended sanitary drainage to all base building wet areas;
- (d) Branched metered valve connections for cold water supply at service core areas for tenant future connection;
- (e) Provisional sanitary drainage stacks on floor plate to service the net lettable area;
- (f) Metering of incoming water supplies;
- (g) Trade waste drainage and grease arrestor for base building and retail tenant provision;
- (h) Harvested rainwater reused for landscape irrigation;
- (i) Roof drainage; and
- (j) Water efficient tap ware and flushing devices.

2.9 Electrical

- 2.9.1** The electrical installation includes electrical supply, metering, distribution, lighting and special purpose power in compliance with Statute and Regulations.
- 2.9.2** The building will employ tenancy sub-metering; a highly efficient automated lighting system with provision for emergency standby power generation.
- 2.9.3** The Developer has included the provision of a 400kW Solar array. This will supply the building with electricity as well as potential to feed back to the grid.
- 2.9.4** Category 6 data cabling will be utilised throughout the building. An additional focus on Wi-Fi technology will be developed to reduce the amount of cable infrastructure.
- 2.9.5** Vertical power and data distribution is provided through riser ducts.
- 2.9.6** Provision of Master Antenna TV services has been included in the base building design and will be accessible across the development.

2.10 Lifts

- 2.10.1** The building will be serviced by 21 passenger lifts and a number of these will have the capability of goods lifts that will service the building.
- 2.10.2** The basements will be serviced by a combination of core lifts, separate passenger shuttle lift and the goods lifts.
- 2.10.3** The proposed lifts will utilise destination control lift movement/allocation technology to efficiently distribute people throughout the building.

2.11 Fire protection

- 2.11.1** The building brief requires provision of fire services in accordance with NCC and local Fire Brigade Authority requirements, including:

- (a) Fire protection, detection systems, smoke hazard management and fire egress travel distances in accordance with the National Construction Code (NCC) and AS1668 and AS2118.1;
- (b) Fire suppression systems;
- (c) Battery operated self-contained emergency lights and exit signs connected to a computerised automatic testing system. Coverage is to include toilets, plant rooms and switch rooms, the office area and car park;
- (d) Emergency Warning and Intercommunication System complete with additions to cater for hearing impaired requirements;
- (e) Extinguishers, fire blankets;
- (f) External and internal hydrant system;
- (g) Internal fire hose reel system; and
- (h) Ancillary alarm outputs to various building sub systems.

2.12 Security

2.12.1 A security risk assessment will be conducted during the design stage, and the building will match the outcomes of the assessment. A security design brief will be developed by a Security Construction and Equipment Committee Approved Security Consultant. The building fit out will incorporate the Departments' security requirements. All staff are provided with security passes which will interface with electronic proximity card readers at specified locations at the perimeter of the premises to control access. Electronic access control points include:

- (a) Vehicle and pushbike access to the parking areas;
- (b) Loading area and after-hours access doors; and
- (c) Entry to the building through security racers.

2.12.2 Internal areas with higher security requirements will also have proximity card readers installed at the entrance doors to restrict access to authorised staff only.

2.12.3 A security desk will be located in the foyer of the building and staff will be required to sign in and escort visitors.

2.12.4 The Departments will continue to consult appropriate security experts regarding the development of security requirements for the building.

2.13 Acoustics

2.13.1 The building design incorporates measures to reduce noise in the work environment including insulated glazed external windows, acoustic ceiling tiles in offices and meeting rooms, fabric panelling and carpeted floors. Additional focus on air-conditioning design will reduce noise from moving air and mechanical plant.

2.13.2 Acoustic performance criteria will be incorporated into the fit out brief to ensure adequate noise insulation between offices, meeting rooms, training rooms and other works spaces.

2.13.3 Design criteria and building performance for ambient noise ratings will be in accordance with the requirements and recommendations of AS1055 Acoustics.

2.14 Landscaping & other civil works

2.14.1 Landscaping surrounding the works will meet the required standards of the relevant authorities' requirements for aesthetics and crime prevention, including vandal resistant lighting and finishes.

2.15 Provisions for people with disability

2.15.1 The base building includes a number of requirements to assist people with disability including:

- (a) the building will be designed to comply with AS1428.2 and comply with the mandatory provisions of the National Construction Code;
- (b) provision of accessible parking for staff;

(c) access for disabled toilet areas for the office will be provided in accordance with the following:

- **AS 1428.1-2001** Design for access and mobility - General requirements for access - New building work.
- **AS 1428.2-1992** Design for access and mobility - Enhanced and additional requirements - Buildings and facilities.
- **AS 1428.3-1992** Design for access and mobility - Requirements for children and adolescents with physical disabilities.
- **AS 1428.4 – 2002** External landscaping and layout to ensure wheelchair access is available to main entry.
- suitable access to the building; and
- all lifts to be accessible and provide facilities in accordance with relevant Australian Standards, including AS1735.12 and AS 1428.

2.15.2 Lifts, access ways, doorways and accessible toilets and showers will be designed to comply with Australian Standards and the NCC.

2.16 Heritage issues

2.16.1 There are no known heritage issues that are required to be addressed with this proposal.

2.17 Multi-purpose facilities

2.17.1 The leasing of this new site will enable Departmental staff, currently accommodated in the Canberra CBD, to continue to utilise existing childcare arrangements.

2.17.2 The new site includes private multi-purpose rooms which will cater for staff who require private spaces for reasons such as infant feeding or prayer/reflection.

2.18 Workplace health and safety

2.18.1 The Departments' project team will work closely with recognised Workplace Health and Safety (WHS) consultants to advise on the design and construction of the new fit out. Further, the Departments will work closely with its Property Service Provider, Ventia, to ensure that the fit out design complies with the relevant codes.

2.18.2 Through Ventia, relevant consultants and architects will assist in the selection of internal furniture and fittings including adjustable desks, shelving, work tables and compactus units to ensure they are suitable for a wide range of staff to use safely and with minimised risk of injury.

2.18.3 Characteristics of the proposed workspace will be:

- (a) Modular work points that provide functional support, storage and a level of privacy;
- (b) Low profile to preserve views;
- (c) Feeling of light, airy, healthy openness; and
- (d) Capacity for visual variation.

2.18.4 The design, materials and finishes used in the furniture and fit out construction will consider WHS aspects and avoid sharp edges, furniture legs which cause obstructions, and highly reflective surfaces.

2.18.5 London Quarter will be designed as a COVID-Safe workplace, with extensive consideration given to creating a touch-free environment wherever possible, including lifts, car park access, amenities and end of trip facilities.

2.18.6 To mitigate the risk of viral transfer, hygiene stations have been integrated into the fit out design. Additionally, physical distancing of 1.5 metres has been incorporated into the design through workstations sizing, workstation screens between workstations, and primary and secondary circulation pathways between workstation zones.

2.18.7 All contractors and sub-contractors will comply with WHS legislation appropriate to the building site.

2.18.8 A design review of the base building will be completed to ensure any potential risks to users, occupants and maintenance personnel are addressed and that these individuals are not exposed to potential workplace injury.

2.18.9 Lighting and window treatments are specified to reduce glare and provide appropriate lighting levels for the tasks being performed together with preserving natural light and views.

2.19 Consultation

2.19.1 The Departments have adopted a number of strong communication strategies for internal and external consultation, of which some have already begun. The Departments have commenced internal messaging on the project and set up governance arrangements to help inform the project moving forward. The Departments have also commenced direct consultation with representatives from various functional teams including audio visual and information technology.

2.19.2 The Departments have already commenced, and will continue to conduct, formal consultation with staff as the project progresses. These include:

- (a) Discovery workshops for all staff;
- (b) Regularly updated intranet articles and all staff messages;
- (c) Engagement with cultural and diversity networks;
- (d) Briefings for staff representatives and unions; and
- (e) The display of a prototype work area so that all staff can familiarise themselves and raise questions about the proposed fit out.

2.19.3 The Departments have undertaken 32 staff discovery workshops, with over 380 staff participating and generating close to 6,500 ideas, comments and insights.

2.19.4 The Departments have commenced early detailed design work based on the ideas, comments and insights heard from staff. Early design works include the look and feel of our office environment and the future space we need to undertake our activities.

2.19.5 Staff will continue to be consulted as the detailed design process continues.

2.20 Local impact, e.g, employment

- 2.20.1** The development of London Quarter will have a positive impact on the local community. Currently the land is underutilised as an on-grade carpark. The additional office space is consistent with the aim of ACT Government to increase the amount of employment in the region and stimulate business activity.
- 2.20.2** Existing infrastructure including power, communications, sewerage, gas and water supplies are well established and can easily cope with the increased demand.
- 2.20.3** Construction and fit out will impact positively on the local economy with employment in the private sector.
- 2.20.4** The construction of London Quarter will have a significant positive regeneration impact on the surrounding business area.
- 2.20.5** There will be no job losses at the Departments as a result of the relocation.
- 2.20.6** During construction, on average there will be an estimated 400 people employed on site for the 36-month period, with a further 200 additional people employed at peak periods. In addition, it is estimated that up to 300 people will be employed off-site during peak periods. It is estimated that up to 5,000 people will work on various stages of the project throughout the design and construction.

2.21 Project costs

- 2.21.1** The estimate of fit out construction cost is based on analysis performed by Turner & Townsend Quantity Surveyors of the sketch plans and base building documentation which has been compared against recent construction costs experienced by the Departments. The initial project budget rate of \$2,119 per square metre (excluding GST) for construction costs has been applied to this estimate which is considered to be in the medium range for Commonwealth office fit outs in Canberra.
- 2.21.2** A breakdown of the project cost estimate of \$149.26 million (excluding GST) is detailed in Annexure A – Submission 1.1.

2.22 Project delivery methodology

2.22.1 The Departments have engaged the Developer to prepare the detailed design documentation and construct the fit out concurrently with the base building. This work will be undertaken on a cost-plus basis, with the Departments paying actual tendered prices for goods and services received, and the Developer charging a percentage fee for management of the works.

2.22.2 An integrated fit out is expected to provide the Departments with the following benefits:

- (a) Costs will be less because the fit out related work will be done at the same time as the base building work and hence there is less need for re-work in modifying the base building to accommodate the fit out after the base building is completed.
- (b) Time will be saved because the Departments do not have to wait until the base building is completed before the fit out works commence.
- (c) Coordination is easier because the same project team manages all aspects of the work, including work for the Developer and the Departments. There are fewer over-laps in responsibilities and less potential for disputes over matters such as interference.
- (d) There is less duplication of resources with one team of design, supervision and management personnel for both aspects of the work.

2.22.3 The Departments have engaged their own Project Manager, Ventia, to ensure its interests are protected throughout the process.

2.22.4 On behalf of the Departments, Ventia has engaged DJAS (architect) for the fit out design component of the project and will novate this provider to the Developer for the remainder of the project at Concept Design approval stage.

2.22.5 On behalf of the Departments, Ventia has engaged Turner & Townsend (quantity surveyor) and Acor (services engineers) for peer reviews to ensure the Departments' interests are protected throughout the process.

2.23 Construction program

- 2.23.1** Fit out will be undertaken concurrently with the base building construction. Base building works at London Quarter are expected to commence in mid to late 2023 with the fit out construction scheduled to commence in mid to late 2024.
- 2.23.2** Practical completion including the integrated fit out is scheduled for 31 March 2026.
- 2.23.3** Project consultants have reviewed the construction program to ensure it is feasible and that there is appropriate contingency to cover time over-runs.
- 2.23.4** The brief for the Departments' Project Manager places a high priority on monitoring the program to ensure that any potential program delay is identified at an early stage so that it does not impact on the completion date.
- 2.23.5** If the completion of construction is delayed past 31 March 2026, short term lease extensions on the existing Departments' sites will be negotiated. The Departments and Walker Corporation have agreed to a financial arrangement to cover additional rental costs, if required.

2.24 Sketch designs

- 2.24.1** The site plan and floor plans are attached at Annexure B.

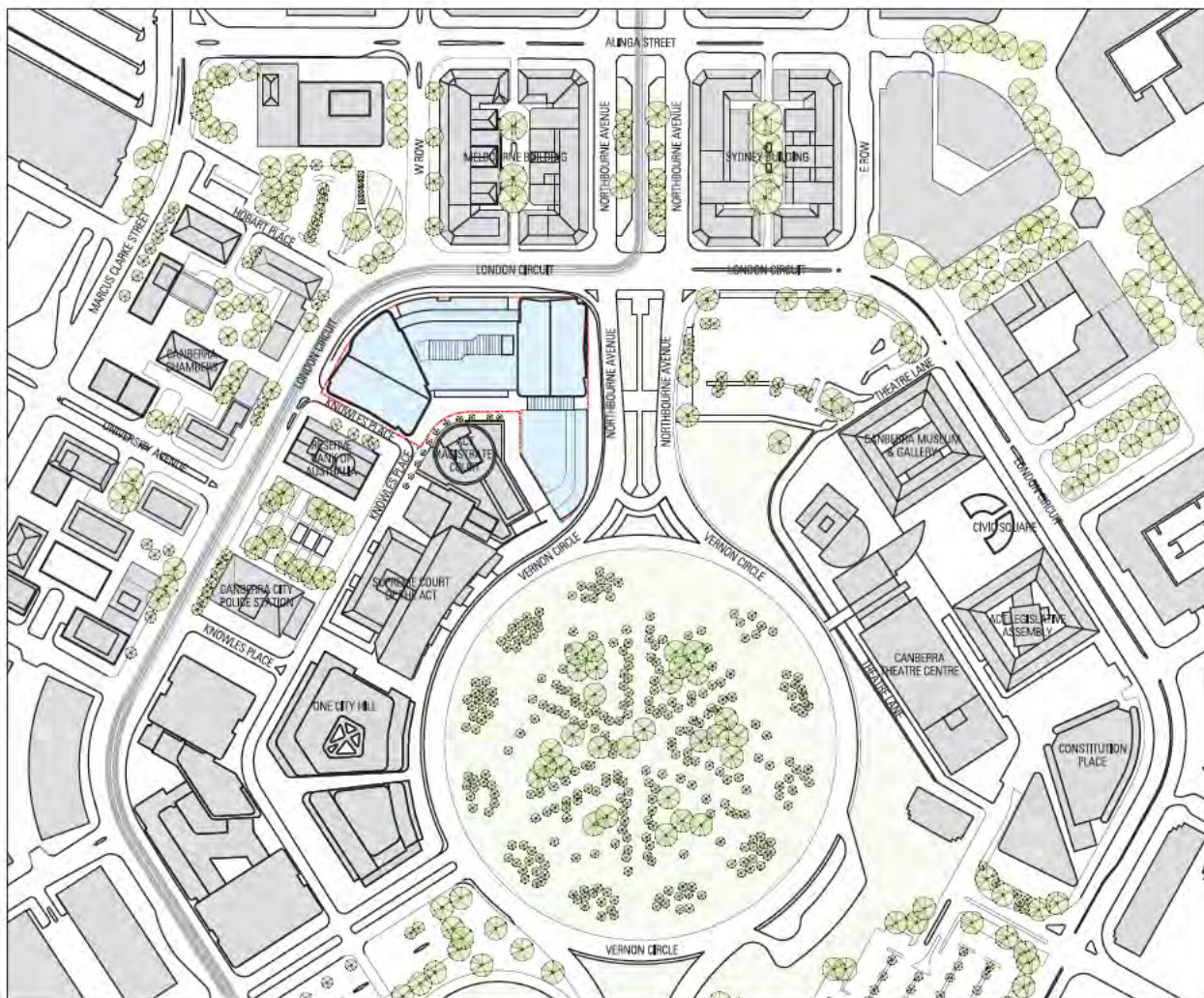
Annexure A – Submission 1.1

(Confidential – Costing and Risk Assessment)

Annexure B – Site Plans



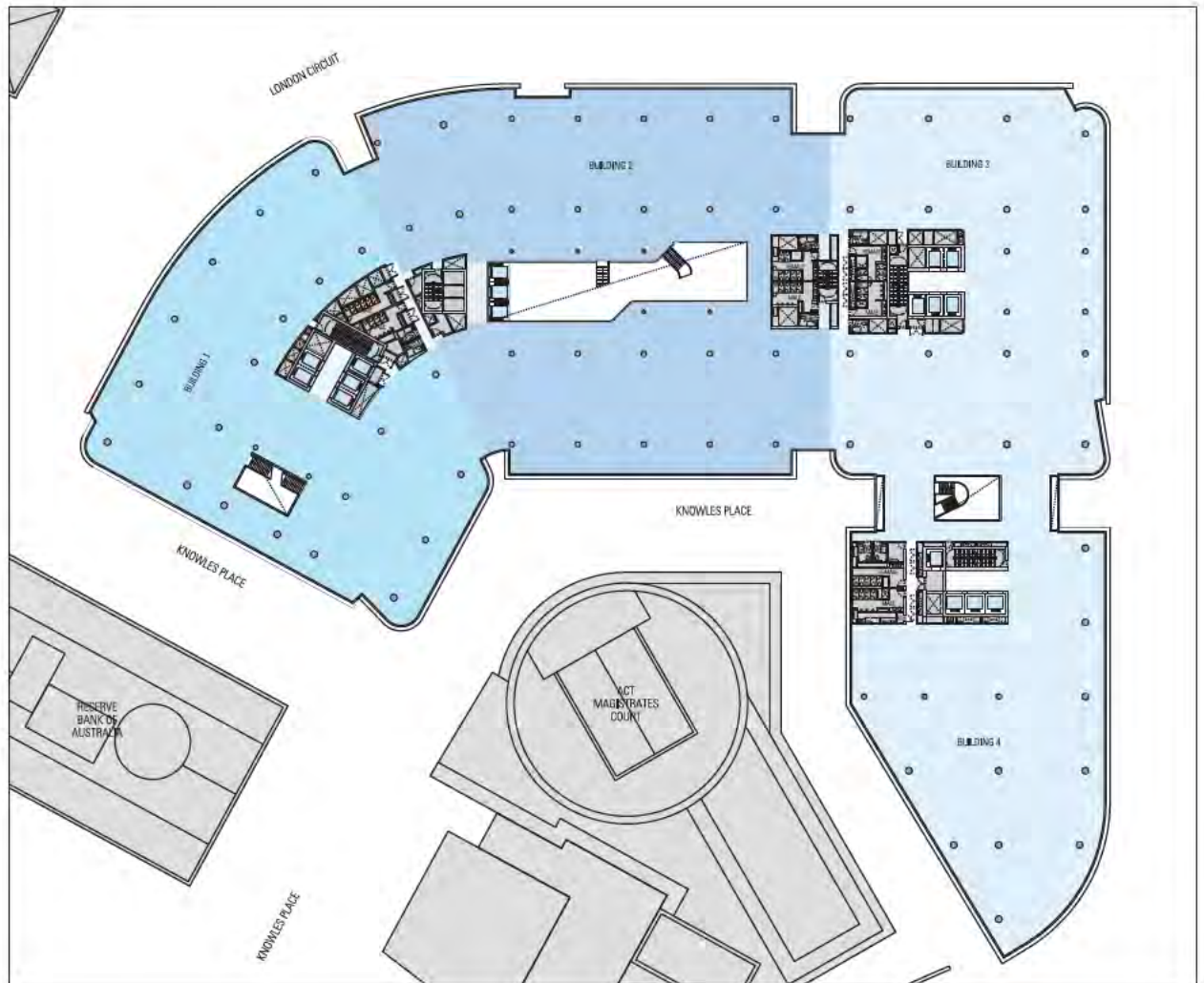
Site Plan



Notes: Plans are in draft form and are subject to design development and required approvals



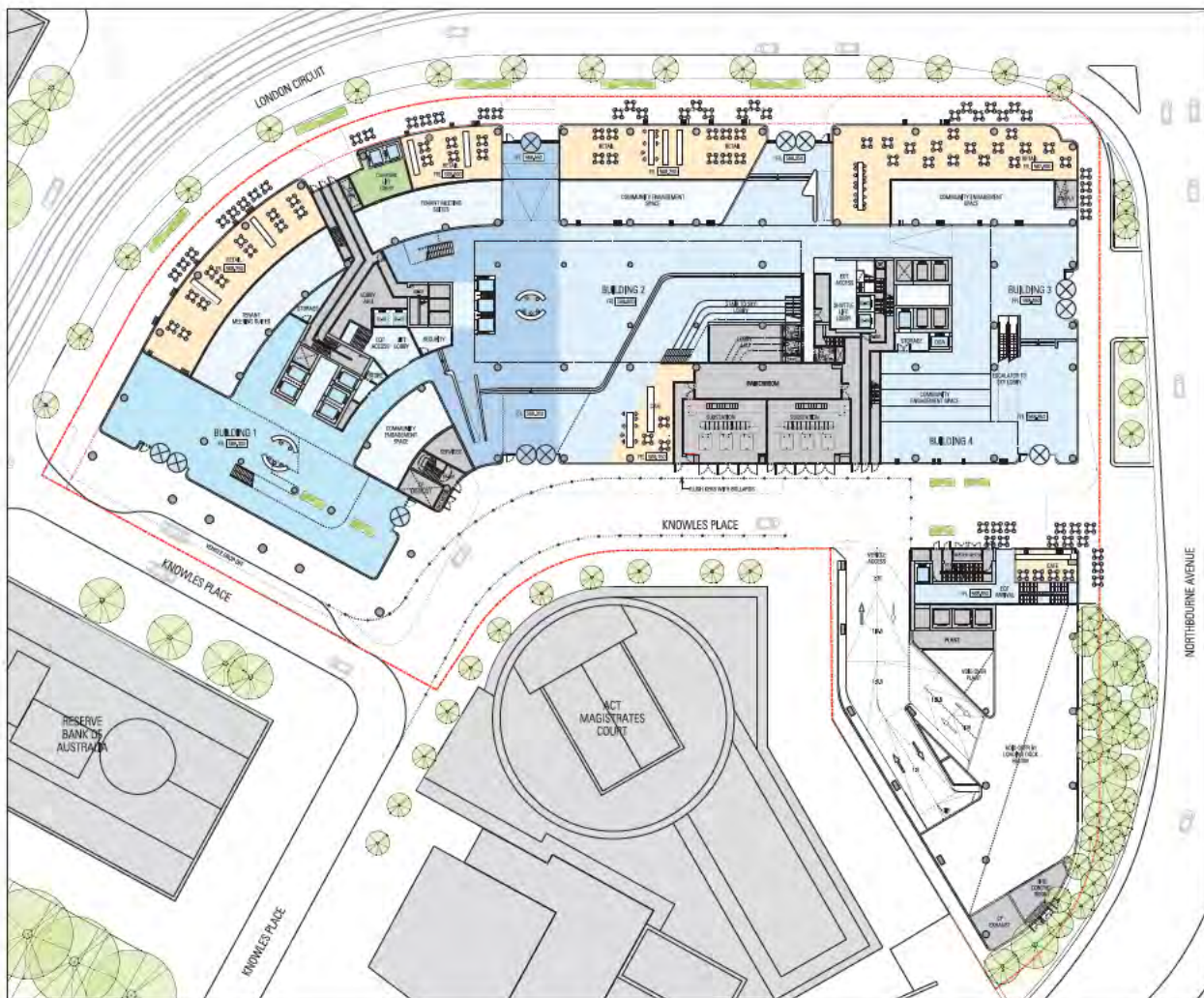
Typical Floor Plan



Note: Plans are in draft form and are subject to design development and required approvals



Preliminary
Ground Floor



Note: Plans are in draft form and are subject
to design development and required approvals



Artist Impression



Note: Plans are in draft form and are subject to design development and required approvals



Artist Impression



Note: Plans are in draft form and are subject to design development and required approvals



DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS + AUSTRALIAN ELECTORAL COMMISSION

NATIONAL ACCOMMODATION PROJECT

DESIGN SCHEME - TYPICAL LEVEL

26 September 2022

REVISION

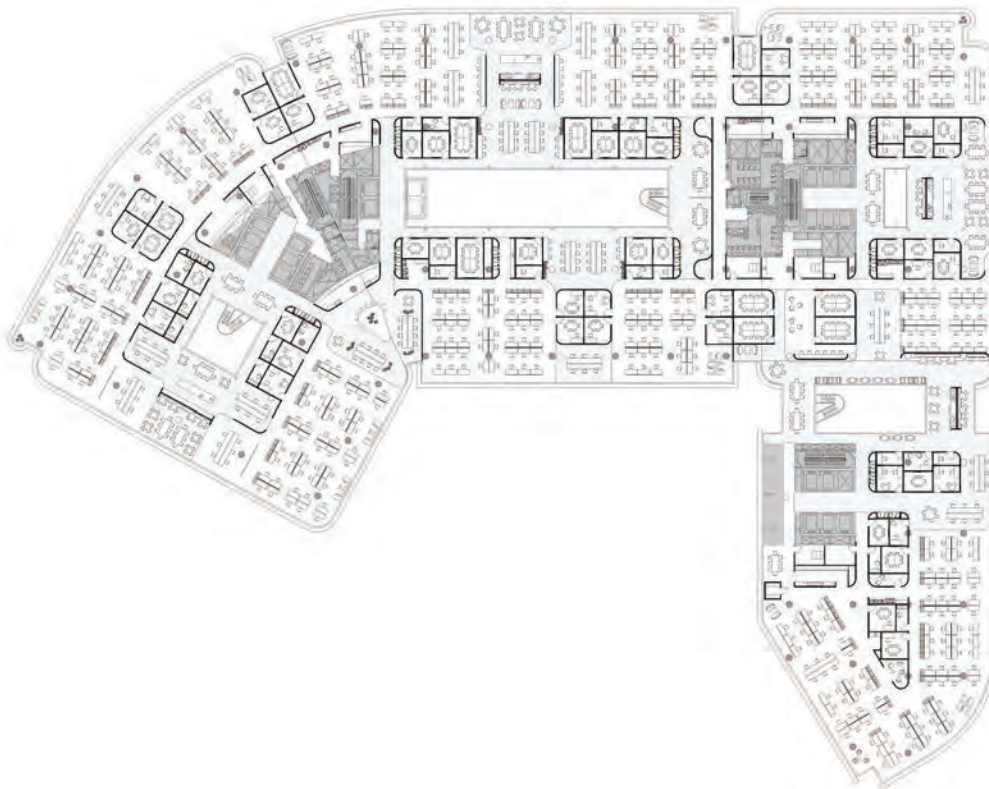
| Revision | Reason for Issue | Issue To | Date | Authorised |
|----------|------------------|----------|------------|------------|
| A | Draft | Ventia | 06/07/2022 | AC |
| B | Draft | Ventia | 26/09/2022 | AC |
| | | | | |
| | | | | |
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E O C O N T E N T S

| | |
|--|-----------|
| <i>Design Solution Typical Floor</i> | <i>04</i> |
| <i>Breakout</i> | <i>05</i> |
| <i>Meeting</i> | <i>06</i> |
| <i>Collaboration</i> | <i>07</i> |
| <i>Quiet Rooms</i> | <i>08</i> |
| <i>Office/Meeting/Collaboration Room</i> | <i>09</i> |
| <i>Utility</i> | <i>10</i> |

DESIGN SOLUTION TYPICAL FLOOR



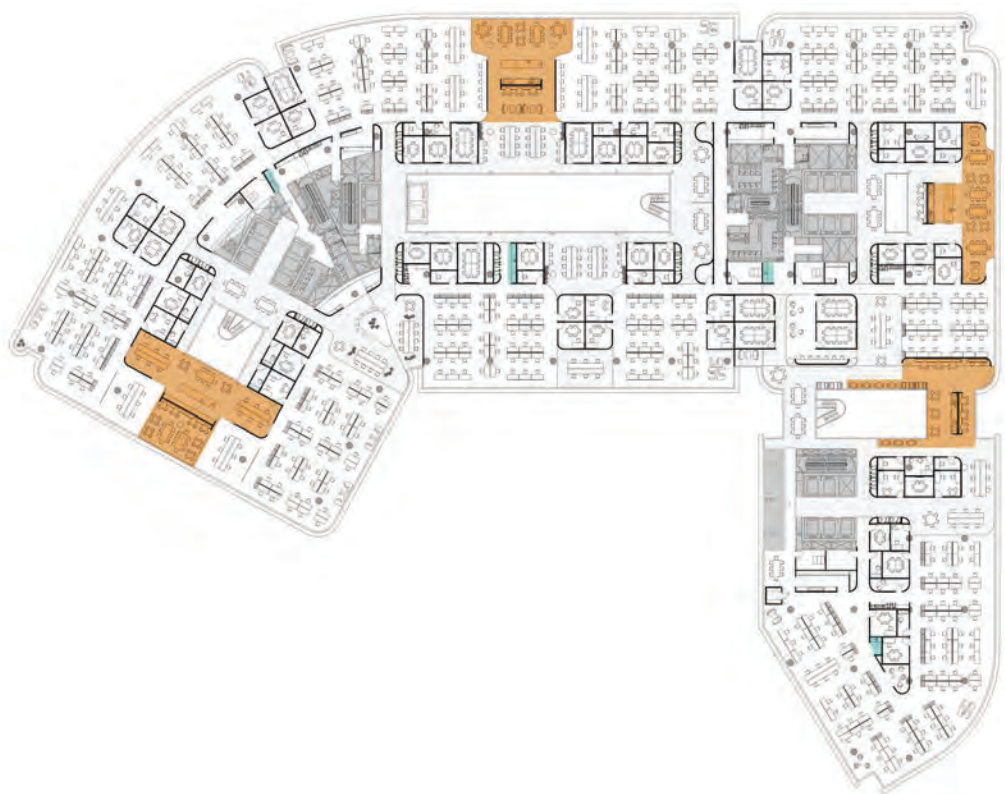


D J
A + S

BREAKOUT

Legend

- Tea Point
- Community Hub / Break Out



MEETING

Legend

- Meeting Facility (12)
- Meeting Facility (8)
- Meeting Facility (6)





D J
A + S

COLLABORATION

Legend

- Collaboration Low Table
- Collaboration Lounge / Workstation





D J
A +
S

QUIET ROOMS

Legend

- Quiet Room
- Dual Office
- Cave
- Phone Booth





OFFICE/MEETING/COLLABORATION ROOM





D J
A + S

UTILITY

Legend

- Store
- Utility
- Locker
- Comms



Annexure C - Green Lease Schedule from the Agreement for Lease



Australian Government
**Department of Climate Change
and Energy Efficiency**

GREEN LEASE SCHEDULE

SCHEDULE B2

EDITION 1 REVISION 1

FOR USE IN A NET LEASE WHERE THE PREMISES ARE 2,000 SQUARE METRES OR MORE
AND THE TENANT OCCUPIES 50% TO 99% OF THE BUILDING



Australian Government
Department of Climate Change
and Energy Efficiency



Australian Government Solicitor

Precedent template prepared by the Australian Government Solicitor

More information regarding the Green Lease Schedules can be obtained from
<http://www.climatechange.gov.au/government/initiatives/EEGO:ASPX>

Note on use of Green Lease Schedule

This Green Lease Schedule (GLS) is a general template for use in lease transactions involving Australian Government agencies or bodies. It does not replace the need to fully consider the implications of the base lease clauses and the GLS and the need to check the interaction of the base lease with the GLS to ensure consistency and compatibility and to give efficacy to the particular circumstances and the requirements of individual transactions. Apart from use by GLS participants (being the Commonwealth of Australia including departments, agencies, statutory bodies and corporations of the Commonwealth) or for educational purposes the GLS should not be reproduced in whole or in part without permission.

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GREEN LEASE SCHEDULE

This Green Lease Schedule applies where the rent is net, the net lettable area of the Premises is 2,000 square metres or more and where the Tenant occupies 50% to 99% of the net lettable area of the Building.

PART 1 - INTRODUCTION

1. Context

1.1. Background

- A. This Green Lease Schedule is incorporated into and forms part of the Lease.
- B. The Green Lease Schedule reflects the Parties' desire to improve and be accountable for energy efficiency in the Premises and the Building wherever possible. It is part of the wider policy of the Commonwealth of Australia reflected in the Australian Government Operations Energy Efficiency Policy to reduce the environmental impact of Government operations, and by so doing, lead the community by example.
- C. As part of the Parties' commitment to improve energy efficiency the Landlord and the Tenant wish to promote the reduction of greenhouse emission and ensure the environmental sustainability of the Building resources by implementing the measures in this Green Lease Schedule.
- D. The parties have agreed that they will act in good faith and take a co-operative attitude to issues arising under the Green Lease Schedule.

1.2. Interpretation and Operational Provisions

- 1.2.1. In this Green Lease Schedule unless the contrary intention appears:

| | |
|-----------------------------|--|
| NABERS Energy Rating | means a rating relating to energy for offices certified by an Accredited Assessor under NABERS |
| NABERS | means the National Australian Built Environment Rating System (including any system or scheme updating or replacing it from time to time) administered by the Department of Environment, Climate Change and Water, acting for and on behalf of the Crown in right of the State of New South Wales, (or by any successor or other body administering NABERS from time to time) in the form in which it applies at the Commencement Date [^] or insert other date which fixes the version of NABERS applicable for term of the lease [^] |

| | |
|--|---|
| | |
| Accredited Assessor | means an Accredited Assessor under NABERS who is independent of both Parties |
| Accredited Rating Certificate | means a certificate issued by the NABERS National Administrator evidencing a NABERS Energy Rating |
| Adjusted NABERS Energy Rating | means a NABERS Energy Rating determined by the Expert in accordance with clause 9.2.2 and being an adjustment to the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating or both |
| Australian Government Operations Energy Efficiency Policy | means the Policy entitled “Energy Efficiency in Government Operations” as amended from time to time |
| Building | means the building in which the Premises are located as described in the Lease and includes the Premises |
| Building Management Committee | means the Building Management Committee established under Part 2 of this Green Lease Schedule which comprises the Tenant’s Energy Representative and the Landlord’s Energy Representative from time to time |
| Commencement Date | means the commencement date of the Lease |
| day | means calendar day |
| Energy Intensity | means megajoules of energy consumed per square metre of the net lettable area of the Building or the Premises (as the case may be) |
| Energy Intensity Improvements | means any act, matter or thing which has the effect of reducing Energy Intensity (as expressed in megajoules) or which will result in the NABERS Energy Rating (on a base building rating basis) being higher than the Target NABERS Energy Rating and/or the NABERS Energy Rating (on a tenancy basis) being higher than the Tenancy NABERS Rating |
| Energy Management Plan | means the plan developed under clause 6 of this Green Lease Schedule |
| Expert | means an expert who is appointed in accordance with clause 10 of this Green Lease Schedule |

| | |
|---|---|
| Green Lease Schedule | means this Schedule and includes any attachments to this Green Lease Schedule |
| Improved NABERS Energy Rating | means a rating under NABERS which is <ol style="list-style-type: none"> higher than the Target NABERS Energy Rating, or higher than the Tenancy NABERS Energy Rating |
| Landlord | means the Party described as Landlord or Lessor or other equivalent word under the Lease |
| Landlord's Energy Representative | means the person appointed by the Landlord and notified to the Tenant under clause 3.1.6 |
| Lease | means the lease for the Premises made between the Parties |
| Major Refurbishment | means any refurbishment, renovation or restoration involving any replacement, upgrade or repair of a material nature which involves the base building services and which affects the base building services in or servicing 50% or more of <ol style="list-style-type: none"> the net lettable area of the Premises, or the net lettable area of the Building, or the common areas |
| month | means calendar month |
| NABERS National Administrator | means the national administrator from time to time under NABERS |
| Outgoings | means all those costs or expenses payable by the Tenant under the Lease other than the Rent |
| Outgoings Provisions | means the terms and conditions of the Lease requiring the Tenant to pay or reimburse the Landlord in respect of the Outgoings |
| Parties | means the parties to the Lease |
| Premises | means the premises leased to the Tenant under the Lease and as described in the Lease |
| Remedial Notice | means a notice given under clause 9 by a Party where the other Party has breached an obligation under the Green Lease Schedule |
| Remedial Plan | means a plan agreed or determined under clause 9 |
| Rent | means the net rent or rental as defined in the Lease but does not include any payment of or contribution |

| | |
|---------------------------------------|---|
| | to Outgoings or other payments for which the Tenant is responsible under the Lease |
| Requirements | means the common law, all statutes, ordinances and by-laws and any requirement, notice, order or direction of a competent authority |
| Target NABERS Energy Rating | means a 4.5 star base building NABERS Energy Rating certified by an Accredited Assessor under NABERS |
| Tenancy NABERS Energy Rating | means a 4.5 star tenancy NABERS Energy Rating certified by an Accredited Assessor under NABERS |
| Tenant | means the Party described as Tenant or Lessee or other equivalent word under the Lease |
| Tenant's Energy Representative | means the person appointed by the Tenant and notified to the Landlord under clause 3.1.6 |
| Working Day | means a day other than a Saturday, Sunday or public holiday in the state or territory where the Premises are located |

- 1.2.2. The singular includes the plural and vice versa.
- 1.2.3. Unless otherwise provided references to clauses are a reference to clauses of this Green Lease Schedule.
- 1.2.4. Unless otherwise defined or provided for in this Green Lease Schedule words and phrases used in this Green Lease Schedule will have the meaning ascribed to them in the Lease.
- 1.2.5. Unless the context otherwise requires the phrase "Lease term" or "term of the Lease" will be interpreted to include any renewal or extension of or overholding under the Lease.
- 1.2.6. Reference to a right includes a remedy, authority or power.
- 1.2.7. Headings are for convenience only and do not form part of this Green Lease Schedule or affect its interpretation.
- 1.2.8. As far as possible all provisions must be construed so as not to be invalid, illegal or unenforceable.
- 1.2.9. If anything in this Green Lease Schedule is unenforceable, illegal or void then it is severed and the rest of this Green Lease Schedule remains in force.
- 1.2.10. If a provision cannot be read down, that provision will be void and severable
- 1.2.11. Words of inclusion are not words of limitation.
- 1.2.12. No rule of construction will apply to disadvantage a Party on the basis that it put forward this Green Lease Schedule.
- 1.2.13. Reference to a thing is a reference to all or part of that thing.

- 1.2.14. Unless the context requires or is otherwise stated in this Green Lease Schedule a Party's obligations under this Green Lease Schedule:
- a. will be performed at its cost;
 - b. will be performed throughout the term of the Lease;
 - c. where the cost is incurred by the Landlord must not be passed on directly or indirectly to the Tenant including by way of reliance on the Outgoings Provisions; and
 - d. where the cost is incurred by the Tenant must not be passed on directly or indirectly to the Landlord.
- 1.2.15. Unless otherwise stated, if a Party's consent or approval is required under this Green Lease Schedule:
- a. the requested Party will consider and respond to the request promptly;
 - b. the consent or approval will not be unreasonably withheld;
 - c. the requested Party may require the requesting Party to comply with reasonable conditions before giving its consent provided that
 - i. the requested Party is not entitled to require the requesting Party to pay its costs in connection with the request; and
 - ii. if the requested Party is the Landlord it will not pass on any cost incurred in connection with the request or consent directly or indirectly to the Tenant including by way of reliance upon the Outgoings Provisions; and
 - iii. if the requested Party is the Tenant it will not pass on any cost incurred in connection with the request or consent directly or indirectly to the Landlord; and
 - iv. all reasonable conditions accompanying or otherwise related to the consent or approval must be in writing.
 - d. the consent or approval is not effective unless in writing.
- 1.2.16. If any conflict arises between the terms and conditions contained in the Lease and any clauses or parts of the clauses of the Green Lease Schedule, then unless the terms and conditions contained in the Lease expressly provide that they prevail over the Green Lease Schedule, the clauses (or the relevant parts of the clauses) of the Green Lease Schedule prevail to the extent necessary to resolve the conflict
- 1.2.17. If any conflict arises between any part of the Green Lease Schedule and any part of an attachment to it, the part of the Green Lease Schedule which does not comprise an attachment prevails.

- 1.2.18. A reference to the Green Lease Schedule or any provision of it includes the Green Lease Schedule or any of its provisions as amended or replaced from time to time by agreement in writing between the parties.

2. Green Lease Schedule forms Part of Lease

2.1. Green Lease Schedule incorporated into Lease

- 2.1.1. This Green Lease Schedule is incorporated into and forms part of the Lease.

PART 2 - BUILDING MANAGEMENT COMMITTEE

3. Building Management Committee

3.1. Building Management Committee

- 3.1.1. Within 10 Working Days of the Commencement Date the Landlord and the Tenant will establish the Building Management Committee which will operate for the term of the Lease.
- 3.1.2. The Building Management Committee will comprise the Landlord's Energy Representative and the Tenant's Energy Representative as notified under clause 3.1.6.
- 3.1.3. The Landlord's Energy Representative and the Tenant's Energy Representative do not need to be accredited experts or hold specialist qualifications but will have the competence and the authority of the respective Parties to
- a. properly and effectively administer the respective obligations of the Landlord's Energy Representative and the Tenant's Energy Representative as they relate to the Building Management Committee;
 - b. make decisions on behalf of the relevant Party in relation to the Building Management Committee's functions and responsibilities;
 - c. issue information and notices and communicate on behalf of the relevant Party in relation to the Building Management Committee; and
 - d. take action on behalf of the relevant Party to facilitate performance of the Building Management Committee's functions and responsibilities.
- 3.1.4. For the avoidance of doubt, the Parties agree that the role of the Building Management Committee is one of discussion, consultation and recommendation. The Landlord's Energy Representative and the Tenant's Energy Representative are not entitled to exercise any legal rights or remedies of the Parties under this Green Lease Schedule including, but not limited to:
- a. any approval or variation of the Energy Management Plan;
 - b. any alteration to the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating;
 - c. enforcing the rights and remedies of the relevant Party;
 - d. binding the relevant Party to doing or refraining from doing anything;
 - e. engaging in any remedial action under clause 9 of this Green Lease Schedule, including issuing a Remedial Notice or agreeing a Remedial Plan; or
 - f. determining the position of a Party in relation to any difference or dispute which may arise under this Green Lease Schedule.

- 3.1.5. Nothing in clause 3.1.3 is to be construed as entitling the persons performing the role of the Tenant's Energy Representative and the Landlord's Energy Representative to bind the respective Parties unless those persons
- a. are also the nominated representatives of the respective Parties under the Lease in a capacity other than as the Landlord's Energy Representative and the Tenant's Energy Representative; and
 - b. are empowered to bind the respective Parties by virtue of other provisions of the Lease.
- 3.1.6. Each Party will notify
- a. the other Party within 10 Working Days of the Commencement Date of the name and contact details of the Landlord's Energy Representative and the Tenant's Energy Representative; and
 - b. the other Party of the name and contact details of any replacement of the Landlord's Energy Representative or the Tenant's Energy Representative from time to time.
- 3.1.7. The Building Management Committee will meet quarterly or as otherwise recommended by the Landlord's Energy Representative and the Tenant's Energy Representative and approved by both Parties for the purposes of addressing any matters or issues which arise under the Green Lease Schedule. A preliminary protocol for the Building Management Committee appears at Annexure A and this will apply until it is otherwise varied by agreement between the Landlord's Energy Representative and the Tenant's Energy Representative.
- 3.1.8. The Building Management Committee will produce and maintain for the term of the Lease, written minutes of each meeting which will be approved and signed by the Landlord's Energy Representation and the Tenant's Energy Representative within 10 Working Days of each meeting.
- 3.1.9. The Parties agree that it is essential to maintain all information, including energy data for the Premises and Building (which for the avoidance of doubt includes the base building services), plans, documents, maintenance contracts, specifications, maintenance reports and maintenance schedules necessary to:
- a. enable an Accredited Assessor to assess, report on and authorise the issuing of:
 - i. an Accredited Rating Certificate for the Target NABERS Energy Rating; and
 - ii. an Accredited Rating Certificate for the Tenancy NABERS Energy Rating certificate; and
 - b. as far as reasonably practicable, enable a Expert appointed under clause 10 of this Green Lease Schedule to carry out any and all of his functions

and obligations in accordance with the terms of this Green Lease Schedule;
and

- c. establish the extent of compliance by the Landlord and the Tenant with their respective obligations under this Green Lease Schedule.

3.1.10. The Landlord and the Tenant:

- a. will be aware of and approve the location for the storage of the reports and other information held by the Building Management Committee;
- b. will take all necessary steps to ensure the security of those reports and information; and
- c. will keep the reports and information confidential except to extent necessary:
 - i. to comply with a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body);
 - ii. to enable the Parties to perform their roles and obligations under the Lease; or
 - iii. to enable an Expert to exercise his powers and perform his role and obligations under this Green Lease Schedule.

3.1.11. The Landlord and Tenant will provide to the Building Management Committee and give the Building Management Committee unfettered access to the information required by clause 3.1.9 which they hold or should hold according to their respective roles and responsibilities under the Lease (including this Green Lease Schedule). This clause does not require the Parties to disclose information which would otherwise be confidential. In the case of the Tenant this clause also does not require the Tenant to disclose information which is not to be disclosed because of a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body).

3.1.12. The Parties will provide to the Building Management Committee the information pertaining to their respective obligations under this Green Lease Schedule as required by clause 3.1.9 to the extent that it is practicable for each Party to do so. This clause does not require the Parties to disclose information which would otherwise be confidential. In the case of the Tenant this clause also does not require the Tenant to disclose information which is not to be disclosed because of a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body).

- 3.1.13. The Parties will provide copies of all reports required by this Green Lease Schedule to the Building Management Committee. An indicative list of the reports typically required to be provided to the Building Management Committee is included in the Building Management Committee Protocol annexed to this Green Lease Schedule at Annexure A.
- 3.1.14. In addition to the specific functions specified in this Green Lease Schedule, the Building Management Committee may act as a vehicle for considering Energy Intensity Improvements and consultation on other issues arising from this Green Lease Schedule, and for proposing recommendations and solutions to the Parties on matters arising from or relevant to this Green Lease Schedule.
- 3.1.15. The Landlord and the Tenant will bear their own costs in connection with the establishment and operation of the Building Management Committee and will not pass on to each other directly or indirectly the costs for which they are each responsible under this clause 3.1.15 including in the case of the Landlord by way of reliance on the Outgoings Provisions.

PART 3 - GREEN LEASE PERFORMANCE

4. National Australian Building Environment Rating System

4.1. NABERS Rating

- 4.1.1. The Parties agree that:
- a. the Landlord will ensure that the Target NABERS Energy Rating is achieved within 3 months of the first anniversary of the Commencement Date and maintained for the term of the Lease; and
 - b. subject to the Landlord complying with its obligations under the Lease (including this Green Lease Schedule) and to the Tenant's obligations and rights under the Lease (including this Green Lease Schedule), the Tenant will achieve the Tenancy NABERS Energy Rating within 3 months of the first anniversary of the Commencement Date and maintain it for the term of the Lease.
- 4.1.2. Within 3 months of each anniversary of the Commencement Date occurring during the term of the Lease the Landlord will deliver to the Tenant an Accredited Rating Certificate evidencing achievement of the Target NABERS Energy Rating.
- 4.1.3. Within 3 months of each anniversary of the Commencement Date occurring during the term of the Lease the Tenant will deliver to the Landlord an Accredited Rating Certificate evidencing achievement of the Tenancy NABERS Energy Rating.

Audit

- 4.1.4. If a Party:

- a. reasonably considers that there are circumstances which warrant the other Party providing evidence of the other Party's compliance with its obligations relating to or impacting on the achievement and maintenance of the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be); and
- b. requests the other Party in writing to provide this evidence

then the other Party will provide the evidence sought within 20 Working Days of the requesting Party's request (or within such other period agreed by the Parties). This clause 4.1.4 does not limit any other rights of the Parties relating to any failure of either Party to comply with its obligations under this Green Lease Schedule.

- 4.1.5. If the information provided under clause 4.1.4 demonstrates that there is a genuine possibility that the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be) will not be achieved or maintained, or if the relevant Party fails to supply the evidence sought within the time required by clause 4.1.4, then either Party may request an audit of the Energy Intensity of the Building.
- 4.1.6. The audit under clause 4.1.5 may not be requested more than once every 12 months and the Party requesting the audit will act reasonably and in good faith in making the request.
- 4.1.7. The audit under clause 4.1.5 will be undertaken by an Expert and the request for appointment of the Expert will be made by the Party requesting the audit..
- 4.1.8. The Expert:
 - a. will identify any non compliance with the requirements necessary for the achievement or maintaining of the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating by either Party, having regard to their respective obligations under the Lease (including this Green Lease Schedule);
 - b. advise who or what is responsible for the non compliance;
 - c. advise what needs to be done to rectify non compliance;
 - d. advise which Party is responsible for rectifying non compliance and who will bear the costs of rectification (or if both the Landlord and the Tenant in what proportions); and
 - e. if a Party is responsible for non compliance, will determine the costs (if any) which that Party is to reimburse to the other Party in respect of any additional costs incurred by the other party as a result of the non compliance.
- 4.1.9. The conclusions of the Expert under clause 4.1.8 will be final and binding on the Parties.

- 4.1.10. The cost of the audit is to be shared equally between the Parties or as determined by the Expert.
- 4.1.11. If the Expert determines that a Party is responsible for non compliance then:
- a. that Party will rectify the non compliance within the time specified by the Expert;
 - b. if costs are payable under clause 4.1.8.e the relevant Party will pay the cost determined within 30 days of receiving the Expert's written notice of determination; and
 - c. if the Party responsible for the non compliance is the Landlord, the Landlord will not seek to obtain reimbursement of the costs payable under clause 4.1.8.e from the Tenant directly or indirectly including by way of reliance on the Outgoings Provisions.

Improved NABERS Energy Rating

- 4.1.12. The Parties agree that:
- a. not later than 3 months after each anniversary of the Commencement Date; and
 - b. on any Major Refurbishment occurring during the term of the Lease
- the Parties will meet and will consider in a reasonable and cooperative manner whether an Improved NABERS Energy Rating can be achieved which is consistent with the Australian Government Operation Energy Efficiency Policy targets for new leases and Major Refurbishments applicable at that time.
- 4.1.13. If the Parties agree in writing under clause 4.1.12 that an Improved NABERS Energy Rating is to be achieved, the Parties will take the relevant steps within their respective areas of responsibility to ensure that the Building and/or the Premises satisfies the Improved NABERS Energy Rating requirements, and that a new Accredited Rating Certificate evidencing the Improved NABERS Energy Rating is issued.
- 4.1.14. The Improved NABERS Energy Rating will apply from the date agreed by the Parties in writing.
- 4.1.15. On and from the date referred to in clause 4.1.14 the Improved NABERS Energy Rating, as it applies to the Landlord or the Tenant, or to both (as the case may be) will be treated as the Target NABERS Energy Rating or the Tenant's NABERS Energy Rating (as the case requires) and this Green Lease Schedule will be deemed to be varied to reflect the Improved NABERS Energy Rating.

5. Energy Intensity Provisions

5.1. Improvements and Maintenance

- 5.1.1. For the purposes of this clause:

- a. **Responsible Party** means the Party who is obliged under the Lease to operate, repair and maintain the Building services or any part of them; and
- b. the obligations of the Responsible Party under this clause will apply only to the extent that it is obliged under the Lease to operate, repair and maintain the Building services or any part of them, and only in respect of those services.

5.1.2. The Responsible Party will ensure that all maintenance contracts for the Building services include:

- a. requirements that the Building services must perform in a way which will not hinder the Target NABERS Energy Rating (and where appropriate the Tenancy NABERS Energy Rating) from being achieved and maintained including that energy consumption of the base building services does not exceed that required to meet the Target NABERS Energy Rating);
- b. reasonable warranties by the contractor and supplier which support the Responsible Party's obligations and which do not have the effect of hindering the ability of the Tenant to maintain the Tenancy NABERS Energy Rating and the ability of the Landlord to maintain the Target NABERS Energy Rating;
- c. a requirement that maintenance contractors at all times maintain and provide to the Responsible Party manuals and other information relevant to the maintenance and performance of the Building services; and
- d. a requirement that on any change of contractor the outgoing contractor must assign to the Responsible Party all warranties (which have not already been assigned to the Responsible Party) relating to the Building services and provide all manuals and other information relevant to the maintenance and performance of the Building services to the incoming contractor and/or to the Responsible Party.

5.1.3. If at the Commencement Date the Responsible Party demonstrates to the other Party:

- a. that it already has in place maintenance contracts which do not comply with clause 5.1.2 (Non Compliant Contracts); and
- b. that is not feasible for it to amend the Non Compliant Contracts so that they comply with clause 5.1.2 (taking into account the remainder of the term of the relevant Non Compliant Contracts and the costs associated with seeking to amend them)

then the Responsible Party is relieved of its obligations under clause 5.1.2 (but only to the extent that the Non Compliant Contracts do not comply). Once the Non Compliant Contracts have expired the Responsible Party will ensure that any new maintenance contracts or any extension of renewal of the Non Compliant Contracts comply with clause 5.1.2.

5.1.4. The Responsible Party:

- a. within 3 months after each anniversary of the Commencement Date; or
 - b. at other times within 10 Working Days of a request by the requesting Party
- will produce to the requesting Party copies of all maintenance contracts in place for the Building services including evidence of compliance with clause 5.1.2. In the case of the Tenant this clause does not require the Tenant to disclose information which is confidential or which is not to be disclosed because of a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body).

- 5.1.5. The Parties will not pass on to the each other any costs (directly or indirectly) incurred by them in performance of this clause 5 and if the Responsible Party is the Landlord including by way of reliance on the Outgoings Provisions.

5.2. Energy Data Reports

- 5.2.1. By the 10th Working Day after the end of each quarter occurring during the term of the Lease the Landlord will provide to the Tenant quarterly energy data information (which show consumption data and cost) for the Building and common areas.
- 5.2.2. By the 10th Working Day after the end of each quarter occurring during the term of the Lease the Tenant will provide to the Landlord quarterly energy data information (which show consumption data and cost) for the Premises.
- 5.2.3. The energy data information required by this clause will be in a form agreed by the Parties and if the Parties do not agree then the form will be determined by an Expert appointed under clause 10.

6. Energy Management Plan

6.1. Energy Management Plan Development and Implementation

- 6.1.1. Without limiting any other obligation of the Parties the following provisions apply to the development and implementation of an Energy Management Plan.
- 6.1.2. Within 3 months of the Commencement Date the Landlord and Tenant will use their best endeavours to agree on and sign an Energy Management Plan which will support the achievement of the requirements and objectives of the Australian Government Operations Energy Efficiency Policy at the time and this Green Lease Schedule.
- 6.1.3. The Energy Management Plan will be consistent with the terms and conditions of this Green Lease Schedule and as a minimum will include (but need not be limited to)
- a. the strategies to be employed by the Landlord in achieving and maintaining the Target NABERS Energy Rating through the term of the Lease;

- b. the strategies for maintaining and upgrading the Building (including services, systems, plant and equipment) so as to effectively manage the Energy Intensity of the Building and achieve Energy Intensity Improvements in the Building;
 - c. the strategies to be employed by the Tenant in maintaining the Target NABERS Energy Rating for the term of the Lease.
- 6.1.4. The Parties acknowledge that the Energy Management Plan is an important tool for achieving the objectives of this Green Lease Schedule and to this end the Parties will use their best endeavours to agree the Energy Management Plan. If the Parties are unable to agree on any component of the Energy Management Plan in time for it to be signed within 3 months of the Commencement Date they agree that either or both may refer the issue (or the entire Energy Management Plan if the Parties have not agreed any of it) for determination under clause 10.
- 6.1.5. Subject to 6.1.7 the Energy Management Plan applies from the date it is signed by the Parties.
- 6.1.6. The Parties will not unreasonably delay the signing of the Energy Management Plan. If any component of the Energy Management Plan has not been agreed or has been referred for determination under clause 10 and the issue has not been agreed or determined within 3 months of the Commencement Date the Parties agree to sign the Energy Management Plan so that it contains the agreed components and to vary it in writing once any outstanding component has been agreed or determined.
- 6.1.7. A sample Energy Management Plan appears at Annexure B and if the Energy Management Plan is not agreed or not referred and determined under clause 10 the sample Energy Management Plan will be treated as the agreed Energy Management Plan with effect from the date which is 3 months after the Commencement Date until the Parties agree on an alternative Energy Management Plan or until a variation to the sample Energy Management Plan is determined by the Expert under clause 10.
- 6.1.8. The Parties will provide:
 - a. a signed copy of the Energy Management Plan; or
 - b. where the sample Energy Management Plan applies under clause 6.1.7, a copy of that sample Energy Management Planto the Building Management Committee.
- 6.1.9. The Landlord and the Tenant will bear their own costs in connection with the cost of producing, reviewing and implementing the Energy Management Plan and their respective obligations under the Energy Management Plan. The Parties will not pass on to each other their costs directly or indirectly including, in the case of the Landlord, by way of reliance on the Outgoings Provisions.

- 6.1.10. The Building Management Committee will review the Energy Management Plan from time to time but not less than once every 2 years and will refer any recommendations for amendment to the Landlord and the Tenant.
- 6.1.11. The Parties will act in good faith to reach agreement on the recommendations of the Building Management Committee and they will:
 - a. record in writing any amendment to the Energy Management Plan agreed by the Parties from time to time; and
 - b. provide a signed copy of the Energy Management Plan incorporating any agreed amendments from time to time to the Building Management Committee.
- 6.1.12. The Parties will comply with their respective obligations under the Energy Management Plan. The Landlord will not pass on its costs of compliance with the Energy Management Plan either directly or indirectly to the Tenant including by way of reliance on the Outgoings Provisions.
- 6.1.13. Each Party will monitor its performance of the Energy Management Plan and within 3 months of each anniversary of the Commencement Date will report to the other Party on its performance against the Energy Management Plan.

7. Metering

7.1. Separate Metering

- 7.1.1. The Landlord:
 - a. will ensure that from the Commencement Date the Premises are separately metered for electricity (with the meters being digital 30 minute on market status electricity meters), gas and water services (both hot and cold);
 - b. will ensure that the meters have an accuracy class suitable for customer billing and the meter register is readily accessible for billing;
 - c. agrees that if the Tenant requires, management of the meters will reside with the Tenant on installation; and
 - d. agrees that the Tenant is entitled to purchase its own electricity.
- 7.1.2. The Landlord will ensure that from the Commencement Date there is separate metering for electricity (with the meters being digital 30 minute on market status electricity meters), gas and water services (both hot and cold) for:
 - a. central services in the Building including common areas; and
 - b. without limiting clause 7.1.1, all tenancy areas if this is required to achieve the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating.
- 7.1.3. The Landlord must not pass on any costs incurred under this clause 7 to the Tenant directly or indirectly including by way of reliance on the Outgoings Provisions.

PART4 - GENERAL PROVISIONS APPLICABLE TO GREEN LEASE SCHEDULE

8. Reporting

8.1. Reporting

8.1.1. All reports provided in accordance with the provisions of this Green Lease Schedule will include the following information as a minimum:

- a. a reasonably detailed assessment or description of the progress and performance of the Party/Parties against the relevant target, strategy or plan arising from the respective obligations under this Green Lease Schedule;
- b. how the progress and performance was monitored over the relevant reporting period;
- c. if progress or performance has not met the target, strategy or plan (or it appears that the annual target, strategy or plan will not be met), reasons for this failure, and detailed explanation of how this will be rectified and progress and performance improved;
- d. measures to be taken during the next reporting period to ensure targets, strategies and plans are achieved;
- e. if the target, strategy or plan is due to be revised a suggested new target, strategy or plan that where feasible and practicable improves on the previous target, strategy or plan if possible drawing on experience detailed in the report and previous reports;
- f. any cost savings that have been achieved for that reporting period; and
- g. any other information relevant to the Parties' performance against the target, strategy or plan.

8.1.2. All reports must be written reports and a complete copy must be provided to:

- a. the Landlord (where the report is prepared by or for the Tenant);
- b. the Tenant (where the report is prepared by or for the Landlord); and
- c. the Building Management Committee (where the report is prepared by or for the Tenant or the Landlord or otherwise for the purpose of this Green Lease Schedule).

8.1.3. The costs of preparing the reports will be borne by the Party responsible under this Green Lease Schedule for preparing them. If that Party is the Landlord it will not pass on any costs incurred to the Tenant directly or indirectly including by way of reliance on the Outgoings Provisions.

9. Remedial Action

9.1. Remedial Action

9.1.1. If:

- a. a Party has breached an obligation under this Green Lease Schedule; or
- b. a Party repeatedly breaches its obligations under this Green Lease Schedule;

the other Party (Initiator) may give the defaulting Party (Recipient) a Remedial Notice. The Remedial Notice will be in writing and will request the commencement of dialogue or remedial action.

9.1.2. The Landlord and the Tenant will meet within 15 Working Days of the date of the Remedial Notice and will use their best endeavours to agree a Remedial Plan which:

- a. sets out remedial action; and
- b. contains a timetable for completion of the remedial action.

9.1.3. If the Parties fail to meet within 15 Working days and or fail to agree on a Remedial Plan, then subject to clause 9.3.2.a the Remedial Plan (or any parts of it which have not been agreed by the Parties) will be determined by an Expert in accordance with clause 10 on the application of either Party.

9.2. Adjusted NABERS Energy Rating

9.2.1. If a Party reasonably believes that the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be) cannot be achieved (taking into account the matters in clause 9.2.2.a to clause 9.2.2.d) and that it should be reviewed then it may give written notice to the other Party specifying the reasons why the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be) cannot be achieved and requesting an Adjusted NABERS Energy Rating. Once this notice is given, the request for an Adjusted NABERS Energy Rating must be referred by either or both Parties for determination by an Expert appointed under clause 10. The Expert must take into account the matters in clause 9.2.2.a to clause 9.2.2.d in making his determination.

9.2.2. If in considering a Remedial Plan or a referral under 9.2.1 the Expert determines that:

- a. the Landlord and the Tenant have taken all proper measures to achieve the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Rating (as the case may be);
- b. the Landlord or the Tenant, or both as the case may be, has or have exhausted all reasonable avenues for Remedial Action in accordance with clause 9 of this Green Lease Schedule;

- c. the Landlord or the Tenant, or both as the case may be, has or have used best endeavours to comply with their respective obligations under the Lease (including all obligations under this Green Lease Schedule) which may in any way impact on or be relevant to the achievement of the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Rating; and
- d. the inability to achieve the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating is not due to any misrepresentation regarding the condition or capacity or the Building, the base building services or the Premises or deterioration in or failure of relevant parts of the Building, the base building services or the Premises or to activities in the Building or the Premises

then, the Expert may make a determination that there will be an Adjusted NABERS Energy Rating for the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Rating provided that the Adjusted NABERS Energy Rating must be not less than a 4 star Target NABERS Energy Rating and/or the Tenancy NABERS Energy Rating (as the case requires).

- 9.2.3. On and from the date of the determination by the Expert under clause 9.2.2, the Adjusted NABERS Energy Rating, as it applies to the Landlord or the Tenant, or both, will become the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be) under this Green Lease Schedule for such time as the Expert may determine and this Green Lease Schedule will be deemed to be varied to reflect the Adjusted NABERS Energy Rating during the relevant period..
- 9.2.4. At any time which is no less than 12 months after an Expert has made a determination and issued an Adjusted NABERS Energy Rating, either Party may seek to have the original Target NABERS Energy Rating or the original Tenancy NABERS Energy Rating reinstated by requesting an Improved NABERS Energy Rating. A Party will act reasonably in making a request for an Improved NABERS Energy Rating. If a request is made the Parties will meet within 15 Working Days of the request and will consider in a reasonable and cooperative manner whether an Improved NABERS Energy Rating can be achieved.
- 9.2.5. If the Parties cannot agree whether an Improved NABERS Energy Rating can be achieved or if the Parties fail to meet within the time specified in clause 9.2.4 then either Party may apply to have the issue determined by an Expert in accordance with the procedure set out at clause 10 of this Green Lease Schedule.
- 9.2.6. If the Parties agree in writing under clause 9.2.4 that an Improved NABERS Energy Rating is to be achieved or an Expert determines under clause 9.2.5 that an Improved NABERS Energy Rating is to be achieved, the Parties will take the relevant steps within their respective areas of responsibility to ensure that the base building and/or the Premises satisfies the Improved NABERS

Energy Rating requirements, and that a new Accredited Rating Certificate evidencing the Improved NABERS Energy Rating is issued.

- 9.2.7. The Improved NABERS Energy Rating will apply from the date agreed by the Parties in writing or, where it has been determined by the Expert, from the date determined by the Expert.
- 9.2.8. On and from the date referred to in clause 5.1.2 the Improved NABERS Energy Rating, as it applies to the Landlord or the Tenant, or to both (as the case may be) will be treated as the Target NABERS Energy Rating or the Tenant's NABERS Energy Rating (as the case requires) and this Green Lease Schedule will be deemed to be varied to reflect the Improved NABERS Energy Rating.

9.3. Compliance with Remedial Plan

- 9.3.1. The Parties will comply with the Remedial Plan.
- 9.3.2. If the Recipient does not comply with a Remedial Notice under clause 9.1.1 or with clause 9.3.1, the Initiator:
 - a. may notify the Recipient in writing that it extends the period for remedial action; or
 - b. may give written notice (Enforcement Notice) to the Recipient notifying it that the failure to comply with the Remedial Notice and/or the Remedial Plan is a breach of the Lease (including this Green Lease Schedule); and
 - i. if the breach is capable of rectification, that unless the breach is rectified within the period specified in the Enforcement Notice (which period will be reasonable in the circumstances), the Initiator will be entitled to rectify the breach and claim its reasonable costs of rectification;

or
 - ii. if the breach is not capable of rectification, that the Initiator claims compensation for loss or damage incurred by the Initiator as a direct result of the breach (and the Enforcement Notice in this case will specify in reasonable detail how the amount claimed has been computed).
- 9.3.3. If clause 9.3.2.b.i applies and the breach is not rectified in the time specified in the Enforcement Notice:
 - a. the Initiator may rectify the breach;
 - b. the Recipient will allow the Initiator or its contractors access to the relevant parts of the Building or Premises (subject to any prior notice requirements for access contained in the Lease) for the purpose of rectifying the breach; and

- c. the reasonable cost of rectification will be a cost due and payable by the Recipient to the Initiator following written demand from the Initiator specifying the amount claimed and reasonable detail on how the amount claimed has been computed.

9.3.4. Despite the Initiator's right to rectify the Recipient's breach under clause 9.3.3, if:

- a. the Initiator is hindered in doing so by the Recipient or any other person; or
- b. the Initiator decides that it is not practicable for it to rectify the Recipient's breach

the Initiator may demand compensation for loss or damage incurred by the Initiator as a direct result of the breach (including the cost of any reasonable endeavours in seeking to rectify the breach). The claim for compensation under this clause will specify in reasonable detail how the amount claimed has been computed.

9.3.5. If:

- a. an amount is claimed under clause 9.3.2.b.ii, and
- b. the Recipient has not objected in writing to the amount claimed within 10 Working Days of the giving of the demand

the Recipient will pay the amount claimed within 40 Working Days of written demand. If the Initiator is the Tenant and the amount is not paid by the Landlord within the 40 Working Day period the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

9.3.6. If:

- a. an amount is demanded under clause 9.3.3.c or clause 9.3.4; and
- b. the Recipient has not objected in writing to the amount claimed within 10 Working Days of the giving of the Enforcement Notice

the Recipient will pay the amount claimed within 40 Working Days of written demand. If the Initiator is the Tenant and the amount is not paid by the Landlord within the 40 Working Day period the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

9.3.7. If the Recipient objects to an amount claimed by the Initiator under clause 9.3.2.b.ii, clause 9.3.3.c or clause 9.3.4 within the prescribed time then the dispute will be referred for resolution under clause 10 and any amount determined by the Expert will be paid within 40 Working Days of the Expert's determination. If the amount determined is payable by the Landlord and is not paid within 40 Working Days of the Expert's determination the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

- 9.3.8. If:
- a. an amount is payable and has not been paid by the time required by Clause 9.3.5 or clause 9.3.6; or
 - b. an amount payable has been referred for resolution in accordance with clause 9.3.7 and has not been paid by the time required by clause 9.3.7
- then the Party to whom the amount is due may institute proceedings in a court of competent jurisdiction to recover the amount. This clause 9.3.8 does not limit the Tenant's rights of set off under clause 9.3.5, clause 9.3.6 and clause 9.3.7.
- 9.3.9. The rights in clause 9 are in lieu of any of the rights which the Parties may have under the Lease for breach of this Green Lease Schedule. Except for any remedies contained in this clause 9 or elsewhere in this Green Lease Schedule the Parties will not rely on any other remedies available under the Lease or otherwise for breach of this Green Lease Schedule.

10. Resolution of Green Lease Schedule Disputes`

10.1. Dispute Resolution

- 10.1.1. Any difference or dispute between the Parties arising under the provisions of this Green Lease Schedule which is not resolved within 10 Working Days after notice by one Party to the other of the nature of the difference or dispute may be referred by either Party for determination by an Expert who is an appropriate practising professional with the relevant expertise in the subject matter of the difference or dispute. For the avoidance of doubt any difference or dispute between the Landlord's Energy Representative or the Tenant's Energy Representative on the Building Management Committee and which needs to be resolved to give efficacy to this Green Lease Schedule is also covered by this clause 10.
- 10.1.2. The Expert will be appointed at the request of either Party by the President or senior official of the Australian Institute of Arbitrators and Mediators in the State or Territory where the Building is located. Production of this clause will be sufficient evidence of the right to make the request. The President or senior official will be asked to appoint the Expert within 10 Working Days of the request.
- 10.1.3. Each Party may make a submission either orally or in writing to the Expert within 10 Working Days after that appointment.
- 10.1.4. In making a determination the Expert will:
- a. act as an expert and not as an arbitrator;
 - b. consider any submission made to it by a Party; and
 - c. provide the Parties with a written statement of reasons for the determination.
- 10.1.5. The determination of the Expert is conclusive and binding on the Parties.

- 10.1.6. The costs of the Expert will be shared equally between the Parties.
- 10.1.7. If the Expert fails to deliver a determination within 10 Working Days after the last day on which the Parties are entitled to make submissions, either Party may require the appointment of a further Expert under clause 10.1.1 and clause 10.1.2 to determine the dispute.

ANNEXURE A - BUILDING MANAGEMENT COMMITTEE PROTOCOLS

- 1 Meetings will be held on ^insert day^ of each month occurring during the term of the Lease.
- 2 The first meeting will be held 1 month after the Commencement Date.
- 3 Meetings will be held at ^insert venue^ or as otherwise agreed by the Landlord's Environment Representative and the Tenant's Environment Representative.
- 4 Written minutes of each meeting will be taken and the responsibility or this will rotate between the Landlord's Environment Representative and the Tenant's Environment Representative ^or insert other agreed arrangement^.
- 5 ^Insert agreed arrangements for chairing^.
- 6 ^Insert agreed arrangements for minute taking^.
- 7 Any difference or dispute between the Landlord's Environment Representative and the Tenant's Environment Representative which needs to be resolved to give efficacy to this Green Lease Schedule may be referred for resolution under clause 10 by either Party.
- 8 Reports and other information held by the Building Management Committee will be stored at ^insert address^ and the Building Management Committee will take necessary steps to ensure the security of those reports and information in accordance with the Green Lease Schedule.
- 9 The Building Management Committee will provide to a Party on request any copies of any information or reports relating to the Building, Premises or the Lease (including this Green Lease Schedule) held by the Building Management Committee and will inform the other Party that it has done so.
- 10 ^These will vary from case to case - the following are examples.

*Reports **typically required** : Several building reports are produced to manage the building such reports include: Engineering, mechanical, electrical lifts, hydraulics, fault , capital works, minor works, OH&S if applicable, service, energy accounts 30 minute data, Tenant light and power and building services, mandatory maintenance and testing , BMS, planned maintenance, out of hours operation log, fault reports and energy 30 minute data and accounts.*

Identifying the key reports such as HVAC , maintenance and energy accounts that will need to be scrutinized. Building fault reports will also be a key indicator for energy efficiency issues^

- 11 The Landlord's Environment Representative and the Tenant's Environment Representative must familiarise themselves, be aware of and comply with the Building Management Committee Protocols and the Energy Management Plan.
- 12 ^Insert any other protocols required^.

ANNEXURE B - ENERGY MANAGEMENT PLAN

ANNEXURE C - OPTIONAL CLAUSES