



ASIC
Australian Securities &
Investments Commission

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

PROPOSED FIT OUT OF NEW LEASED PREMISES

LEVEL 5-10
100 MARKET STREET, SYDNEY

SUBMISSION 1

OFFICIAL

Submission 1: Statement of Evidence and Supporting Documents

SUBMISSION 1:

**STATEMENT OF EVIDENCE AND
SUPPORTING DOCUMENTS**

**SUBMITTED TO THE
PARLIAMENTARY STANDING
COMMITTEE
ON PUBLIC WORKS**

NOVEMBER 2019

EXECUTIVE SUMMARY

The Australian Securities & Investments Commission (ASIC) maintains its head office in the Sydney CBD, New South Wales. ASIC is currently located at 100 Market Street over levels 5-10, which accommodates approximately 1078 staff. ASIC's lease is over 18,475 square metres (sqm), and the initial term expires on the 31st March 2020 and with two 5-year renewal options available.

The current whole of building National Australian Built Environment Rating Scheme (NABERS) energy rating is 5 stars, which is above the Energy Efficiency in Government Operations (EEGO) policy which requires a minimum 4.5 star NABERS energy rating for new Commonwealth leases over 2,000 square metres. The 100 Market Street building was constructed in 1972 and underwent renovations in 2009/2010. An integrated fit out for ASIC was completed in 2010 and ASIC has occupied 100 Market Street since its completion.

In planning for the current lease expiry ASIC sought expressions of interest from the market in January 2018 to establish whether there might be more suitable accommodation to meet future needs. As a result of that initiative, ASIC identified the existing 100 Market Street premises as providing the best value for money lease option, given the financial offering of a below market rent and strong landlord incentive, its location and accessibility to stakeholders and available amenity for staff.

ASIC will continue to be the main tenant of the building with the remainder of the floors currently utilised for commercial office. The building offers ongoing operational savings through the implementation of high energy efficient technologies and maintaining a single site for ASIC staff located in the Sydney office.

The new lease commencing 1 April 2020 offers 15,930 sqm of high-quality office space across part levels 5 and 6, and levels 7 to 10, in a building already achieving a 5-star NABERS energy rating. In comparison to the existing lease, this is a reduction of 2,545 sqm of net lettable area which provides whole of life lease efficiencies to ASIC. This reduction also enables ASIC to proactively manage its workplace density to meet the Commonwealth Property Management Framework's target of 14 sqm per occupied work point.

Following the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the announcement in March 2019 of \$404m increase in ASIC's funding, ASIC's property portfolio has been placed under immediate increased pressure in all offices, including Sydney. Currently the Sydney office accommodates 1078

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staff within a total capacity of 1062 traditional workpoints in a flexible work environment. As a result of the increase to funding and additional recruitment activity required to support ASIC's mandate, Sydney staff numbers are anticipated to increase to approximately 1350 staff from July 2020, demonstrating a clear need to increase office capacity.

To ensure ASIC's Sydney office can accommodate current and future expected staff in a flexible and efficient manner, a full office fit out project is proposed through this Submission. The proposed fit out has been developed following work with expert workplace design consultants and a national consultation process commencing in 2014. As a result of this work and the consultation, ASIC developed its own Activity Based Working (ABW) model, that matched operational requirements and work practices, individual staff needs, and with the flexibility to accommodate future requirements and growth.

Through the fit out design and construction, ASIC will place strong emphasis on compliance with Workplace Health and Safety, Disability and environmental codes, ensuring the end result will conform to all relevant building codes and practices.

The more efficient ABW fit out will improve the workplace density from 16.3 sqm per workpoint in the current fit out to approximately 11.6 sqm per workpoint in the proposed fit out, bringing Sydney office to within the 14 sqm target. This approach allows for an overall increase to staff over the coming years, it also enables flexibility to manage longer term fluctuations to staff numbers within the footprint.

It is envisaged that project costs will be in the order of \$29.8 million excluding GST, which equates to a rate of approximately \$1,872 per square metre excluding GST, considered to be in the medium range for costs associated with ASIC and Commonwealth fit outs in Sydney. The fit out will be fully funded through ASIC's Departmental Capital Works Budget allocation, which for this project is fully funded via the new lease incentive of approximately \$34.4 million. The fit out of the premises will continue to stimulate growth in the Sydney region and will generate local employment through the fit out construction phase.

The fit out for 100 Market Street is regarded as Public Works under the *Public Works Committee Act* and exceeds the \$15 million threshold, requiring this submission to be brought before the Committee for its referral, consideration and approval.

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1. IDENTIFICATION OF NEED

1.1 Purpose of Works

1.1.1 The purpose of the proposed fit out works is to:

- a) align ASIC Sydney office with the ASIC Standard Activity Based Working (ABW) fitout model, providing increased flexibility of accommodation and improved amenity for staff
- b) accommodate increasing Sydney staff numbers at the current location following the \$404 million in additional funding provided to implement the recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Banking Royal Commission); and
- c) ensure ASIC's Sydney office continues to achieve value for money for ASIC and the Commonwealth, including meeting the Government's target of 14 square metre per occupied workpoint.

1.2 Need for Works

- 1.2.1 The current arrangement sees the Australian Securities & Investment Commission (ASIC) located over 18,475 square metres (sqm) on levels 5-10 at 100 Market Street, Sydney, NSW, with a lease expiry on the 31st March 2020 and two 5-year renewal options thereafter.
- 1.2.2 A new lease has been executed at the current location for 15,930 sqm over part levels 5 and 6, and levels 7-10, and will come into effect on 1 April 2020. The term is for 10 years with two 5-year renewal options. Minister for Finance endorsement and approval by the Strategic Property Advisor (SPA) has been obtained.
- 1.2.3 In 2014 the ASIC Commission acknowledged that ASIC's current workplace design could not continue to be applied to fit outs and still meet the mandated WoAG accommodation density requirements of 14sqm per occupied workpoint.
- 1.2.4 On 22 March 2019 the Treasurer announced an additional \$404 million in funding to strengthen ASIC's approach to enforcement and take on expanded responsibilities to address misconduct in the financial services sector. Coupled with strengthened

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penalties and powers, the additional funding will allow ASIC to expand its enforcement activity, intensive supervisory approach and pursue stronger civil penalties and criminal sanctions against those who breach the law.

1.2.5 This funding increase is crucial for ASIC to continue with its change agenda that includes implementing the recommendations of the Royal Commission. This has placed immediate increased pressure on ASIC's accommodation in offices, including Sydney.

1.2.6 Currently ASIC Sydney accommodates 1078 staff. As a result of the increase in funding, additional recruitment activity in Sydney over the coming years is required to support ASIC's mandate. Sydney staff numbers are anticipated to increase to approximately 1350 staff from July 2020, demonstrating a clear need to address ASIC's current Sydney accommodation.

2. BACKGROUND

2.1 About ASIC

2.1.1 ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator. As an independent Commonwealth Government body, ASIC administers the Australian Securities and Investments Commission Act 2001 (ASIC Act) and carries out most of its work under the Corporations Act 2001 (Corporations Act).

2.1.2 The ASIC Act requires ASIC to:

- d) maintain, facilitate and improve the performance of the financial system and entities in it
- e) promote confident and informed participation by investors and consumers in the financial system
- f) administer the law effectively and with minimal procedural requirements
- g) enforce and give effect to the law
- h) receive, process and store, efficiently and quickly, information that is given to us
- i) make information about companies and other bodies available to the public as soon as practicable

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- j) take whatever action we can, and which is necessary, to enforce and give effect to the law.

2.2 Current Lease

- 2.2.1 ASIC currently leases 18,475 square metres of office space over levels 5-10, 100 Market Street, Sydney, NSW. The lease has an expiry on 31 March 2020, with two 5-year renewal options.
- 2.2.2 The lease on this site is due to expire as listed in Table 1.

Table 1: ASIC Sydney region portfolio

Property name/ address	Area (sqm)	Lease Expiry
100 Market Street, L5-10	18,475	31 March 2020
Total area	18,475	

- 2.2.3 ASIC has subleases to Future Fund and the Infrastructure and Project Financing Agency (IPFA) via MOU arrangements that are included within this footprint. The subleases will not continue beyond the current lease expiry.
- 2.2.4 The 100 Market Street building was originally constructed in 1972 and underwent renovations in 2009/2010. An integrated fit out for ASIC was completed in 2010 and ASIC has occupied 100 Market Street since its completion.

2.3 Current Fit Out

- 2.3.1 The current ASIC Sydney fit out has reached the end of its usable life and requires a new fit out to be able to flexibly meet ASIC's future business operations, accommodate staff growth, and achieve overall compliance with the Department of Finance workplace density target of 14 sqm per occupied workpoint.
- 2.3.2 ASIC accommodates 1078 staff in the current fit out, which includes 1062 traditional workpoints. This is achieved through parts of the office already working flexibly in an ABW-style fit out.
- 2.3.3 Table 2 below compares the current fit out and proposed fit out with regard to available work settings and the Workplace Density Ratio.

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Table 2: Workplace Density Comparison.

	Current Fit Out	Proposed Fit Out
Traditional / Ergonomic Workpoints	1062	1,017
Individual & Group Work Settings	70	360
Lockers	438	1365
Total Work Settings	1132	1,377
Usable Area (sqm)	18,475	15,930
Workplace Density Ratio (sqm per Work Setting)	16.3	11.6

2.3.4 In 2014 the ASIC Commission acknowledged that the current ASIC's Workplace Design Principles (WDP's) could not be applied within the mandated WoAG accommodation density requirements and a new approach to workspace management was required. In addition, it was recognised that the existing WDP's did not provide enough flexibility to deal with the fluctuations in accommodation requirements being experienced by the organisation in response to fluctuations in funding.

3. New Lease

3.1 New Lease Requirement

3.1.1 Based on the pending expiry of the initial lease term at 100 Market Street, the inflexibility of the current fit out, and ASIC's requirement under the ASIC Act to maintain a presence in the Sydney CBD, a market search for suitable office accommodation in the Sydney CBD area was required.

3.2 Market Search

3.2.1 On 12 January 2018 Broadspectrum Property and Colliers International, acting on behalf of ASIC, requested expressions of interest (EOI's) for the provision of office

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accommodation in the Sydney CBD area. Seven responses were received by the due date of 9 February 2018.

3.3 Evaluation Process and Methodology

- 3.3.1 An Evaluation Committee (EC) was established to consider, in detail final submissions and a methodology was designed to objectively assess the best option on a value for money basis.
- 3.3.2 The EC assessed the EOI's short-listed seven (7) buildings and requested Final Proposals. The following proposals were considered:
- a) 100 Market Street, Sydney (existing site).
 - b) 60 Martin Place
 - c) 388 George Street
 - d) 231 Elizabeth street
 - e) 55 Market Street
 - f) 1 Oxford Street
 - g) 59 Goulburn Street
- 3.3.3 Based on the responses received, ASIC had three options to consider:
- a) Remain at 100 Market Street with a new 10-year lease;
 - b) Remain at 100 Market Street and exercise the 5-year option on the current lease; or
 - c) Relocate to a new premise.
- 3.3.4 ASIC determined that the option to remain at 100 Market Street and exercise the 5-year option on the current lease should be discounted as it only allowed for ASIC to reduce their tenancy by one (1) floor and would not achieve the required savings across the life of the lease.
- 3.3.5 ASIC discounted the relocate to a new premise as Colliers International identified that a key risk was the timing that the new premises would need to be completed and ASIC fully relocated by the 1st April 2020.
- 3.3.6 ASIC assessed and considered the option to remain at 100 Market Street with a new 10-year lease and a reduced NLA footprint as the preferred option. Critical considerations to this decision included:

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- a) The considerable advantages of maintaining the existing location and the opportunities that provided in terms of reduced disruption to staff given current commuting plans and external arrangements including child care;
- b) The building currently achieves a 5-star NABERS energy rating, above the Energy Efficiency in Government Operations (EEGO) policy which requires a minimum 4.5-star NABERS energy rating for new leases over 2,000 square metres;
- c) The opportunity for refurbishment works at reduced costs through the reuse of current fit out elements. The proposed building NLA also allows for staging space during the refurbishment process;
- d) The advantage to design floor plans and fit out that specifically meet the needs of ASIC in alignment with the ABW workplace strategy.
- e) Maintaining efficient building performance and infrastructure that will generate savings in operating and energy costs in the long term (currently 5 star NABERS);
- f) The ability to relocate staff seamlessly to new accommodation without leaving the building, minimising disruption to ASIC business operations and providing a cost saving on relocation costs; and
- g) The provision of a long-term solution for ASIC's property requirements for the next 10-20 years.

3.4 New Lease Agreement

- 3.4.1 After a series of negotiation meetings with the Lessor, Scentre Group, commercial terms were agreed, and a Heads of Agreement was executed on 21 September 2018 for an approximate Net Lettable Area (NLA) of 12,294 sqm over levels 7-10.
- 3.4.2 Through the lease negotiations ASIC achieved a downsize of its tenancy from six floors (circa 3,000 sqm floorplates) and to four floors to deliver a more efficient workspace, improve workplace density metrics, and deliver savings to the Commonwealth. A key driver of this process was to reduce inefficient and underutilised space within the tenancy and deliver improved fit-out works to support business. This could be achieved through accessing a market incentive.
- 3.4.3 ASIC submitted the Cost Benefit Analysis (CBA) for the new lease over levels 7-10 at the Premises for endorsement on 11 December 2018. The Department of

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Finance (Finance) provided endorsement for ASIC to enter into the lease over levels 7-10 in March 2019.

3.4.4 The final level 7-10 lease was executed on 4 June 2019.

3.5 Additional Space Requirement

3.5.1 In January 2019, ASIC sought options for additional space in Sydney. ASIC's business operations in the Sydney office were expected to increase due to the findings of the Royal Commission and it was announced in April that ASIC would receive \$404 million in increased budget funding to support additional business functions.

3.5.2 A Joint Approach to Market (JATM) with Future Fund Management Authority (Future Fund) and the Department of the Treasury (Treasury) was conducted by Colliers International. The approach sought a proposal from Scentre Group in line with ASIC's recently completed new lease over the reduced footprint.

3.5.3 ASIC, Future Fund and Treasury executed a Heads of Agreement (HoA) for the new lease over part level 5 and level 6 at the Premises on 12 April 2019. Following the execution of the HoA, Treasury advised that they were withdrawing from the JATM and were pursuing their own opportunity for office accommodation within the Sydney CBD. ASIC and Future Fund advised that they were still committed to the JATM process for the space at 100 Market Street, with ASIC agreeing to take the balance left vacant by Treasury.

3.5.4 The new lease for ASIC's additional space requirement over part levels 5 and 6 increased ASIC's NLA by 3,636 sqm to 15,930 sqm in total.

3.5.5 Future Fund would accommodate 1,000 sqm on level 6 via a separate direct lease with Scentre Group. ASIC and Future Fund will have separate demised premises on level 6.

3.5.6 The Department of Finance (Finance) provided endorsement for ASIC to enter into the lease over part level 5 and part level 6 at 100 Market Street on 4 October 2019.

3.5.7 Lease documentation is currently being finalised and lease execution will take place on or before 18 November 2019.

3.5.8 With the inclusion of part level 5 and level 6 in the total lease, ASIC will occupy 15,930 sqm of office accommodation in 100 Market Street, Sydney. The resulting ASIC leases on this site are listed in Table 3.

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Table 3: 100 Market Street

Property name/ address	Area (sqm)	Lease Expiry
L7-10, 100 Market Street	12,294	31 st March 2030 (plus 2 x 5-year options)
Part L5 and Part L6, 100 Market Street	3,636	31 st March 2030 (plus 2 x 5-year options)
TOTAL	15,930	

3.5.9 The recommended proposal for a new lease in the existing site meets the ASIC Property Management plans and guidelines, providing:

- a) Modern, A-Grade office space for ASIC staff;
- b) Proximity to public transport via Sydney railway station and light rail networks;
- c) Sound environmental credentials including a 5-star NABERS whole of building rating, exceeding the requirements set out in the EEGO policy;
- d) Fit out that will meet Department of Finance density requirements;
- e) Value for money, and a good financial outcome for ASIC;
- f) Alignment with the endorsed strategies in the ASIC Property Management plans that recognise the long-term business need to maintain a presence in Sydney.

3.5.10 ASIC has committed to an ongoing business requirement to maintain a presence in Sydney. Given that the initial term of the lease in the current building was expiring in the near future, there was an obligation on ASIC to explore accommodation options available in the medium to long term.

4. Submission to Public Works Committee

4.1 Submission Details

- 4.1.1 As a new lease in the current location has been agreed, the need to complete a new fit out has become paramount to meet the density requirements of ASIC, and to be compliant with the density targets set by the Commonwealth.
- 4.1.2 Concept designs for ASIC's proposed fit out at 100 Market Street Sydney have been developed. The proposed works will be delivered in a staged approach with ASIC staff to remain in the premises for their duration. This reduces the business continuity risk to ASIC, while the new fit out is delivered on a floor by floor program to reduce disruption to the broader office.
- 4.1.3 As the fit out for the proposed accommodation is regarded as being 'public works' for the purposes of the *Public Works Committee Act*, noting it will be in excess of the Public Works Committee (PWC) threshold, this submission has been referred to the PWC for its consideration and endorsement.
- 4.1.4 Supporting documentation as part of this submission for the Committee's review includes:
- a) Annexure A - Conceptual Floor Plans.
 - b) Annexure B - Submission 1.1 Confidential Cost Estimate.

4.2 Proposed Outcome

- 4.2.1 The outcome of this approach will be that ASIC will be located in efficient, flexible accommodation that will enable it to meet its long term obligations to Government.
- 4.2.2 This action will address the current density ratio through adopting the ASIC Standard ABW (ASA) fit out for office design, providing staff greater flexibility and choice of work settings, improved access to formal and informal meeting and training spaces, and will provide administrative and environmental efficiencies to both management and staff.
- 4.2.3 It is expected that the proposed ABW fit out will provide sufficient flexibility to accommodate future staff growth within the leased area and remain in line with the current Department of Finance density target of 14 sqm per occupied workpoint.

5. SCOPE OF WORKS

5.1 Location

- 5.1.1 The proposed ASIC fit out will be over part levels 5 and 6, and levels 7-10 at 100 Market Street, Sydney.

5.2 Description of Proposed Works

- 5.2.1 The fit out design is an open plan Activity Based Working (ABW) environment, with different work settings across all floors of the ASIC tenancy. The most notable change in the fit out is that allocated work points and offices will not be provided although a significant number of ASIC staff in Sydney and other offices already work in this way. The removal of offices will generate additional requirements for staff access to smaller meeting and quiet rooms, which have been provided for in the design.
- 5.2.2 Semi-enclosed and informal collaboration areas have been included in the new ASIC fit out and will form part of the new way of working.
- 5.2.3 The fit out will be supported by enhanced meeting capacity, breakout areas and support facilities. Built areas will be located in the core of the building to maximise the use of natural light for the majority of staff. Additionally, the fit out will favour loose furniture instead of built environment where possible to reduce initial construction, future make good costs and provide maximum flexibility to respond to changing requirements.
- 5.2.4 The fit out design principles are guided by a considerable time frame of preparation, in-depth research and evaluation. This was undertaken by ASIC and the change management firm Veldhoen & Company (V+C). The generic ASIC ABW Brief developed by V+C provided the functional requirements for the ABW project team, design team and ASIC's partners to form the basis for the design for the new ABW tenancy.
- 5.2.5 The fit out will accommodate approximately 1377 staff across all levels. Level 5 provides a suite of front of house meeting rooms utilised by both ASIC and other government agencies. The large suite of meeting rooms, required for ASIC to fulfil its regulatory obligations and responsibilities, remain fit for purpose and will not be materially altered as part of the project.

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- 5.2.6 The fit out density will be under 12 square metres per work point. This is to ensure the 14 square metre density allowance is met while allowing a tolerance for vacancy.

5.3 Fit Out Design Inclusions

- 5.3.1 The fit out is designed with “anchor” points located adjacent to the tenancy’s vertical access points – the lifts and atria stairs. The anchor is a place where staff locate items that they need to start their working day including personal storage lockers and shared team storage. Anchor points also include beverage and hydration stations, food storage and preparation facilities.
- 5.3.2 Active design principles have been employed to enhance wellbeing and encourage staff to move between the different work settings as they go about their daily work. There are two “Staff Hub” areas provided per full floor designed to encourage community and collaborative engagement between staff.
- 5.3.3 Adaptive reuse and refurbishment of high-quality loose furniture and storage units from the existing tenancy is a priority. This will realise cost savings and improve the environmental sustainability of the design by diverting end-of-life furniture away from landfill.
- 5.3.4 The fit out works include:
- a) 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;
 - b) 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, e.g. for access after-hours. Some additional lighting will be provided as required in partitioned rooms;
 - c) Data cabling throughout the tenant areas including data outlets at each work point. The cabling infrastructure will be designed to cater for future requirements;
 - d) Tenant fit out works will conform to ASIC’s operational requirements including security. These include door hardware and electronic access control at the main entrances, other entrances, exits, and internal areas with higher than normal security needs;

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- e) 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 computer and server rooms;
- f) Architectural/y designed office accommodation to meet ASIC's Standard ABW (ASA) model, including a general office fit out and open plan work areas;
- g) Generic traditional workstations with electronic sit to stand capability in most settings;
- h) Individual and group work settings;
- i) Shared amenities, including kitchen hub areas;
- j) Majority of built meeting rooms to be constructed in the central cores so as not to limit natural light from external windows;
- k) Breakout spaces, quiet rooms and casual meeting spaces;
- l) Storage facilities;
- m) First aid room and multi-use room;
- n) Individually assigned lockers; and
- o) A robust security system that protects ASIC information, people, assets and operations, including secure areas to Zone 2 with card readers on exit and Zone 4, conforming with ASIO Technical requirements.

5.3.5 Density will be reviewed as part of a full requirement analysis to ensure the new fit-out meets the requirements of the Department of Finance occupational density target.

5.3.6 The fit out will provide ASIC considerable flexibility to meet its changing accommodation requirements. This will be achieved through:

- a) Work points that can be easily and quickly reconfigured;
- b) Maximising the use of open plan areas;
- c) Ensuring the enclosed areas are capable of being altered easily to allow for future change, with minimal additional building works; and

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- d) Building services that are located to allow for repositioning of walls, work point layouts and accommodation changes in technology.

5.4 Conceptual Floor Plans

- 5.4.1 The Conceptual Floor Plans are attached at Annexure A.

5.5 Internal Consultation

- 5.5.1 ASIC has undertaken an extensive consultation process with staff in most offices over the past 5 years to ensure consistency and a similar work environment for all ASIC staff that will meet future requirements.
- 5.5.2 In June 2014, workplace consulting firm Veldhoen + Company (V+C) were engaged to assist ASIC to develop options for Activity Based Working (ABW). This involved extensive engagement with ASIC leaders and staff, including Commissioners, Senior Executive Leaders (SEL) interviews and workshops with staff, utilisation studies in both Perth and Sydney offices, all staff surveys and tours of other ABW offices.
- 5.5.3 ASIC leaders generally agreed that an ABW philosophy aligned with ASIC's aspirations and working requirements and was required to meet ASIC's current and future challenges. In this regard, ASIC's future workplace strategy needed to encourage a greater focus on employee collaboration, flexibility, empowerment and independence. Additionally, there was also agreement that higher levels of time and place independency within the workplace would support ASIC in meeting its challenges and realise benefits associated with:
 - a) ASIC's workplace culture and creating a flexible, agile and nimble workforce;
 - b) staff engagement, productivity and flexibility including choice for staff in how they work;
 - c) a creative and dynamic workplace, supporting the attraction and retention of high performers;
 - d) collaboration leading to better outcomes and performance;
 - e) innovative ways of working;
 - f) effective and efficient use of office space; and

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- g) property cost savings associated with occupancy rates, workplace activities and the government's seating density requirements.

5.5.4 ASIC continued to consult with V+C to develop the ABW for ASIC model further.

This included:

- a) Various staff workshops with a cross section of staff from all levels and all sites nationally
- b) SEL and Specialist awareness sessions
- c) All staff presentations on ABW
- d) Oversight of the project by representatives from Property, IT, Security, and People and Development (including WHS)
- e) Development of communications plans, change management plans, and an ABW physical brief which included recommendations for the physical office and IT design.

5.5.5 The ASIC Commission endorsed the implementation of an ABW prototype (known as Campus) in Sydney, due to it having a diversity of teams and number of visiting travellers who could experience the prototype.

5.5.6 In 2016 the implementation of Campus began with design and construction on a half floor (1500 sqm) on level 8 in Sydney. The design was based on and would test the V+C physical brief.

5.5.7 Three cycles of 120 staff have rotated through Campus. Each of these cycles have included ASIC's stakeholder and enforcement teams to ensure ABW meets requirements including from a physical and technology perspective.

5.5.8 Prior to entering Campus each cycle undertook an extensive change management program, which has been modified with each cycle to further refine the program.

5.5.9 Throughout each cycle, workshops were held with staff to provide feedback and suggestions on how to improve the space, IT and behaviours. Surveys at the end of each cycle were also undertaken. As with the change program, the physical space and the IT evolved and changed with each group and feedback.

5.5.10 As each cycle moved out of the prototype, at the request of those teams, half floors were converted into an "ABW lite" model where the teams could continue to work flexibly utilising the existing fit out with some minor modifications. These spaces

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have continued to evolve including the trialling of team zones, smaller quiet area, and refinement of behaviours and etiquettes.

5.5.11 In 2017, the Commission approved the ASIC 4-year ABW plan which provided for the roll out of ABW across all of ASIC's sites by 2021. This occurs as leases expire or capital funding becomes available.

5.5.12 Commission endorsed the ASIC Standard ABW (ASA) in 2018 which is the standard for all ASIC ABW fit outs moving forward. The ASA is based on the V+C physical design brief as well as feedback from staff based on their experiences in Campus and other flexible workspaces within ASIC. The ASA also details the physical and technological guidelines and includes the behavioural support that is required as offices move to ABW.

5.5.13 The ASA continues to evolve as ASIC progresses through the 4-Year ABW plan.

5.5.14 ASIC Adelaide (2018), Hobart (2019) and Perth (2019) offices are now completed with ASA fit outs and works are scheduled to commence in Melbourne in late 2019, also following ASA principles.

5.5.15 Specialist and key stakeholder teams in Sydney have been consulted to determine specific requirements for these areas such as the Commission, Evidence Services, the Information Resource Centre, and IT.

5.5.16 A Sydney Stakeholder team has been established including local representatives from each team, as a communication point for staff on the ABW implementation, to consider and develop etiquettes for the space, and assist with the change program.

5.5.17 An intranet page has been established, ABW at ASIC, which provides all staff updates on ABW projects in their office, including Sydney. Regular all-staff emails and updates are posted to ensure staff are kept abreast of the project progress.

5.5.18 ASIC's Management Committee (quarterly and as required) and Executive Directors (fortnightly) are oversee progress against the 4-Year ABW Plan. These forums also allow ASIC management to communicate to their staff through individual operational meetings, which sit outside of formal ABW communications.

5.5.19 As the 4-Year ABW Plan continues to be implemented (now in year 3) staff have had a continuous communication on the national projects. Staff communication and change workshops in Sydney will gather further momentum as design is finalised.

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5.6 External Consultation

5.6.1 A formal consultative approach has been adopted by ASIC to provide expert advice in relation to various aspects of the project. To date, the following agencies and businesses have been consulted in relation to the proposed works:

- a) Department of Finance;
- b) Future Fund;
- c) The Treasury;
- d) IPFA;
- e) Mills Oakley (Legal Services);
- f) Broadspectrum Property (Property Leasing, Project Management and Facilities Management);
- g) Colliers International
- h) Scentre Group (Building Management) and 151 Property (Lessor)
- i) DJAS (Architects);
- j) LCI (Services Engineers); and
- k) WT Partnership (Quantity Surveyors).

5.7 Mechanical Services

5.7.1 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.

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- 5.7.2 The base building air conditioning system at 100 Market Street utilises low temperature VAV technology to provide high energy efficiencies.
- 5.7.3 An existing separate Chilled Water System will provide ASIC supplementary air conditioning to meeting rooms and other high heat load areas.

5.8 Hydraulic Services

- 5.8.1 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) Metering of incoming water supplies;
 - e) Roof drainage; and
 - f) Water efficient tap ware and flushing devices.
- 5.8.2 Each Kitchen / Staff Hub will be designed to accommodate wheelchair access to sinks and fixtures to further enhance disability access.

5.9 Electrical

- 5.9.1 The electrical installation includes electrical supply, metering, distribution, lighting and special purpose power in compliance with Statute and Regulations.
- 5.9.2 The building will employ tenancy sub-metering; a highly efficient automated lighting system with use of the existing UPS backup power systems.
- 5.9.3 Category 6 data cabling will be utilised throughout the building.
- 5.9.4 Vertical power and data distribution is provided through riser ducts.

5.10 Lifts

- 5.10.1 The building is serviced by eight passenger lifts, with one of the lifts provisioned as a goods lift that services the building.

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- 5.10.2 The Landlord will be providing works to the lifts to increase aesthetic appearance. The proposed lift works may include destination control lift movement/allocation technology to efficiently distribute people throughout the building.

5.11 Fire Protection

- 5.11.1 The building brief requires provision of fire services in accordance with BCA and local Fire Brigade Authority requirements, including:
- a) Fire protection, detection systems, smoke hazard management and fire egress travel distances in accordance with the Building Code of Australia (BCA) 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 includes 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.

5.12 Security

- 2.1.1 A security risk assessment will be conducted during the design stage, and the fit out will match the outcomes of the assessment. A security design brief will be developed by a SCEC Approved Security Consultant.
- 2.1.2 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) Loading area and after-hours access doors; and
 - (b) Entry to the building through security racers.

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- 2.1.3 The fit out will be designed to perform to a Zone 2 specification, in line with ASIO T4 technical specifications. ASIC will further increase physical security specifications of the premises by adding proximity card readers in the inside of all secure doors.
- 2.1.4 A security desk will continue to be located in the foyer of Level 5, and staff will be required to sign in and escort visitors.
- 2.1.5 ASIC will continue to consult appropriate security experts with regard to the development of additional security requirements for the building.

5.13 Acoustics

- 2.1.6 The fit out design incorporates measures to reduce noise in the work environment including insulated glazed partitions, acoustic ceiling tiles and panels meeting rooms, fabric panelling and carpeted floors. Attention will also be paid to air-conditioning detailing to reduce noise from moving air and mechanical plant.
- 2.1.7 Acoustic performance criteria have been incorporated into the fit out brief to ensure adequate noise insulation between meeting rooms, training rooms and other works spaces.
- 2.1.8 Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements and recommendations of AS1055 Acoustics.
- 2.1.9 In anticipated high work focus areas, noise masking has been considered including white noise simulators.

5.14 Landscaping & Other Civil Works

- 2.1.10 No landscaping or other civil works are anticipated.

5.15 Accessibility Provisions

- 5.15.1 The base building includes a number of requirements to assist people with disabilities including:
 - a) the building is designed to comply with AS1428.2 and comply with the mandatory provisions of the Building Code of Australia;
 - b) provision of disabled parking;
 - c) access for accessible toilet areas for the office are provided in accordance with the following:

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- **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.
- d) suitable access to the building; and
- e) all lifts are accessible and provide facilities in accordance with relevant Australian Standards, including AS1735.12 and AS 1428.
- 5.15.2 Lifts, access ways, doorways and accessible toilets and showers will be designed to comply with Australian Standards and the Building Code of Australia.
- 5.15.3 Each kitchen / Hub will be designed to accommodate wheelchair access to sinks and fixtures to further enhance disability access.

5.16 Derived Revenue

- 5.16.1 The operating cost benefits from the new fit out, through the increase flexibility and utilisation of net lettable area, and the reduction of costs of maintenance of the aging fit out will also contribute to the overall cost savings.
- 5.16.2 There is no direct revenue from this project.
- 5.16.3 ASIC will lease the office accommodation for ten years with two five-year options. ASIC will be undertaking an office fit out as part of the new lease which will be fully funded by the Landlord Incentive.

5.17 Zoning and Approvals

- 5.17.1 Approval from all relevant authorities for works approval will be sought as required. It is envisaged that the fit out will require Building Approval and Certificate of Design Compliance once fit out works are complete.
- 5.17.2 It is not envisaged that the works will require Development Approval as the fit out works are internal works only and do not affect the exterior of the building.

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5.17.3 Fit out of the building will be managed by Broadspectrum Property. Provisions have been made for the cost of the fit out in the ASIC Budget in financial years 2019/2020 and 2020/2021. A recommendation to Parliament to proceed with the fit out of the building is thereby sought from the Public Works Committee.

5.18 Land acquisition

5.18.1 The site is owned by 151 Property and managed by Scentre Group.

5.19 Environmental issues

5.19.1 The proposed new fit out works will comply with and exceed the Commonwealth guidelines relating to energy efficient buildings by continuing to meet a 5-Star NABERS rating.

5.19.2 The new fit out 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 building; and
- d) have a positive effect on the local economy via the creation of jobs during fit out works.

5.19.3 To support the ABW fit out ASIC has developed a compatible Information Technology (IT) solution. This includes replacing computer monitors with flat screen LED monitors that use significantly less power and give off less heat, replacing desk phones and desktop computers with mobile devices. This creates a significantly lower heat load on the air-conditioning system with resultant lower energy consumption and costs.

5.19.4 Water usage reduction measures are provided in the existing building services design including:

- a) Dual flush low volume cisterns for all toilets;
- b) Use of grey water for flushing of toilets and urinals;
- c) Flow restriction devices to be fitted to all fixtures; and
- d) Auto flushing urinals.

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5.19.5 The Lessor will retain the responsibility for ongoing environmental management of the building as specified in the lease.

5.19.6 Individual after-hours air-conditioning zones are operated by prior arrangement. This allows the system to be controlled and provide only as much heating/cooling as required outside standard operating hours (7:00am to 7:00pm business days).

5.20 Heritage Considerations

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

5.20.2 The building will conform to the requirements of the Environmental Protection Biodiversity Conservation Amendment Act 2003.

5.21 Codes and Standards

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

5.22 Child-Care Provisions

5.22.1 As ASIC staff are remaining at 100 Market Street, existing child-care arrangements will not be disrupted.

5.23 Workplace Health and Safety

5.23.1 The ASIC project team includes staff from internal Workplace Health and Safety (WHS) teams. WHS staff advise on the Design and Construction of the new fit out, and where required work closely with recognised WHS consultants. Further ASIC works closely with its Property Service Provider, Broadspectrum Property to ensure that the fit out design complies with the relevant codes.

5.23.2 Additionally, through Broadspectrum Property the 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.

5.23.3 Characteristics of the proposed fit out will be:

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

5.23.4 The design, materials and finishes used in the furniture and fit out construction will take into account WHS requirements and avoid sharp edges, obstructions and highly reflective surfaces.

5.23.5 All contractors and sub-contractors shall comply with WHS legislation appropriate to the building site.

5.23.6 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.

5.24 Local Impacts

5.24.1 The fit out of 100 Market Street will have a net positive impact on existing infrastructure services. Power, communications, sewerage, gas and water supplies are well developed and can easily cope with the increased demand.

5.24.2 Construction of the fit out will impact positively on the local economy with employment in the private sector. During construction, on average it is anticipated there will be 50 people employed on site for the 12-month period, with up to 100 people employed off-site during peak periods. It is estimated that up to 300 people will work on various stages of the project through the design and construction.

5.24.3 ASIC Sydney staff numbers will increase during the project program from 1078 to approximately 1350 as a result of the increased funding. The anticipated staff growth will be absorbed within the fit out footprint due to the flexible nature of the ABW fit out. To manage this ASIC will plan and coordinate staff churn through the project, including the anticipated future growth within the fit out.

5.24.4 There will be no job losses in ASIC as a result of the proposed fit out project.

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5.25 Project Costs

- 5.25.1 The project cost estimate is based on analysis of the Conceptual Floor Plans performed by WT Partnership Quantity Surveyors and compared against recent construction costs experienced by ASIC. The initial project budget rate of \$1872 per square metre (excluding GST) has been applied to this estimate which is considered to be in the medium range for ASIC and Commonwealth office fit outs in Sydney.
- 5.25.2 A breakdown of the project cost estimate of \$29.8 million (excluding GST) is detailed in Annexure B, Submission 1.1 Confidential Cost Estimate.

5.26 Project Delivery Methodology

- 5.26.1 ASIC has engaged its own Project Manager, Broadspectrum Property, through the Whole of Australian Government (WoAG) Property Services contracts to ensure its interests are protected throughout the process.
- 5.26.2 On behalf of ASIC, Broadspectrum Property will engage design consultants, architect and building services engineers, for the preparation of design documentation for the fit out component of the project.
- 5.26.3 On behalf of ASIC, Broadspectrum Property will also engage a quantity surveyor for development and review of pre-tender budget estimates to ensure ASIC's interests are protected throughout the process and project costs remain within the stated budget.

5.27 Construction Program

- 5.27.1 On approval to proceed from the PWC, Detailed Design documentation is scheduled for completion early in 2020, with a construction services tender to be released by March 2020.
- 5.27.2 A request for Concurrent Documentation is requested by ASIC to maintain the proposed program, including release of the construction services tender, to deliver value for money to the Commonwealth and ensure ASIC's expected growth in staff as a result of the increased funding can be accommodated at the premises.
- 5.27.3 Subject to PWC approval, fit out works are scheduled to commence in late April 2020 with construction scheduled for completion in May 2021. This allows 6 weeks for construction completion of each half floor, including relocating staff.

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5.27.4 Practical completion is scheduled for 1 May 2021. Project consultants have reviewed the construction program to ensure it is feasible and that there is appropriate contingency to cover time over-runs.

5.27.5 The brief for ASIC's Project Manager, Broadspectrum Property, places a high priority on monitoring the program to ensure that any potential program delays are identified at an early stage so that it doesn't impact on the completion date.

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Annexure A: Conceptual Floor Plans

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Annexure B: Submission - 1.1 Confidential Cost Estimate