

**PROPOSED FIT-OUT OF NEW LEASED
PREMISES AT
18 MARCUS CLARKE STREET, CANBERRA**

**Statement of Evidence and Supporting Drawings to the
Parliamentary Standing Committee on Public Works**

Public Submission 1.0

March 2024

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1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

- 1.1.1 This submission is seeking Parliamentary approval to the cost of \$29.60 million (excluding GST) for the fit-out of an existing building at 18 Marcus Clarke Street (18 MC), Canberra. The new fit-out is required to relocate the Department of Veterans' Affairs (DVA) National Office from 21 Genge Street (21 GS), Canberra.
- 1.1.2 Both 18 MC and 21 GS are located within the Canberra CBD. 21 GS is located within the City Central precinct (near Garema Place and the Canberra Centre), while 18 MC is located within the City West precinct (an approximate 15-minute walk (1.2km) from 21 GS).
- 1.1.3 On 8 January 2024, the Minister for Finance endorsed DVA to enter into a 15-year lease at 18 MC, which includes 13,650 square metres of A-Grade office space to accommodate up to 1,066 staff.
- 1.1.4 The proposed work involves the fit-out of five and a half floors (part of Level 1 and whole of Levels 2 through to 6). Part Level 1 comprises 1,587 square metres, which will be dedicated to community, stakeholder and staff wellbeing. This will result in a useable space 12,063 square metres, which is the amount of space used to calculate the occupational density.
- 1.1.5 Funding of the proposed fit-out cost will be sourced through the landlord lease incentive and a landlord 'cold shell' credit. Any residual incentive will be applied as rent abatement.

1.2 SCOPE

- 1.2.1 DVA proposes to undertake new fit-out works of 13,650 square metres at 18 MC by March 2025 to allow for the transition from the current 21 GS site before lease end in May 2025.
- 1.2.2 The fit-out will be undertaken in accordance with all relevant building codes, regulations, guidelines and specifications, which have been developed in consultation with industry experts.

1.3 KEY ISSUES

- 1.3.1 The new works will provide a flexible, agile and contemporary fit-out with a greater emphasis on open plan collaborative spaces, encouraging staff interaction and improved wellbeing.
- 1.3.2 At the same time, it will provide an efficient use of space with 874 work points to accommodate the 1,066 staff (an 8:10 work point to occupant ratio). This equates to a staff occupational density of 11.3 square metres and an average fit-out density of 13.9 square metres, based on accommodating 1,066 staff within the useable workspace.
- 1.3.3 The new office accommodation will align with the *DVA Property Strategy*, which promotes a high-performing workforce by supporting flexible ways of working and making effective use of the workplace.

- 1.3.4 The proposed fit-out will have a strong emphasis on improving the workplace by encouraging staff to embrace modern and evolving ways of working. There will be significant staff consultation throughout the design process, including providing staff the opportunity to participate in the selection of loose furniture and colour schemes.
- 1.3.5 The proposed fit-out will reduce DVA's property-related emissions with 18 MC offering improved alignment with the Net Zero in Government Operations Strategy.

1.4 COSTS

- 1.4.1 The cost of the proposed fit-out works are estimated at \$29.60 million (excluding GST), being \$2,168 per square metre (excluding GST) based on the net lettable leased area of 13,650 square metres.
- 1.4.2 In accordance with the *PWC Procedure Manual*, the cost estimate excludes non-construction related costs such as non-construction contingencies, relocations and fixtures and fittings, which includes workstations and loose furniture.
- 1.4.3 Funding of the proposed fit-out cost will be sourced through the landlord lease incentive and a landlord 'cold shell' credit. Any residual incentive will be applied as rent abatement.
- 1.4.4 Value for money for the proposed fit-out will be achieved throughout the procurement process by the engagement of DVA's Property Services Provider (PSP), Jones Lang LaSalle (JLL), which can leverage industry expertise for specialist services, trade packages and furniture contracts. This will include:
- applying the market expertise from a Quantity Surveyor and design consultants
 - considering the appropriateness of open approaches to market versus existing panels arrangements on a risk based approach
 - value management in design.
- 1.4.5 A project cost estimate has been prepared by WT Partnership (Quantity Surveyor) based on the concept plans developed by design consultant Cox Architecture and LCI Services Consultants.

2.0 PURPOSE OF WORKS

- 2.1.1 DVA is responsible for providing support, services and information to Veterans and their families. To support these activities, DVA is required to manage a large and diverse national property portfolio of up to forty-nine sites, comprising leased office accommodation and client shopfronts. This proposal relates to DVA's National Office in the ACT, which has 1,066 employees.
- 2.1.2 To achieve this, DVA proposes to deliver a fit-for-purpose workspace at 18 MC that will:
- meet Commonwealth occupational density targets and maximize the efficient use of space
 - provide A-Grade office accommodation that supports organisational agility and flexibility, and promotes staff wellbeing

- provide an improved workplace with modern facilities and enhanced technology for staff to deliver services to the veteran community
- provide a value for money outcome for the Commonwealth.

3.0 NEED FOR WORKS

3.1.1 The current lease at 21 GS is managed through a Memorandum of Understanding (MoU) with the Australian Taxation Office (ATO), which expires in May 2025 with no extension options. Notwithstanding the lease expiry implications, the existing Gnabra Building fit-out was undertaken in 2006 and no longer complies with modern day best practice. In addition, the base building requires a major refurbishment to bring it up to current standards.

3.1.2 The main deficiencies are summarised as follows.

- The COVID-19 pandemic has significantly transformed the office-working environment with a greater emphasis on remote and flexible work arrangements. The existing office was not designed with this in mind, leading to inefficiencies and limitations that hinder productivity, collaboration and employee satisfaction.
- The existing fit-out lacks the integration of modern technological infrastructure in meeting rooms and collaboration spaces, which limits employees' ability to leverage from evolving enhanced ICT capabilities.
- The current building has outdated amenities, limited breakout areas and collaboration spaces that hinder interactive communication. This impacts on the motivation of staff to access the office, which has an enduring effect on employee wellbeing and satisfaction.

3.1.3 In accordance with the Department of Finance's (Finance) [Property Services Coordinated Procurement Arrangements](#) (PSCP Arrangements), DVA has JLL as the primary project manager, with Cox Architecture in partnership with LCI Engineering consultants to provide a compliant and fit-for-purpose design to meet DVA's and the Commonwealth property requirements.

4.0 OPTIONS CONSIDERED

4.1 APPROACH TO MARKET

4.1.1 In December 2022, DVA engaged property consultants TSA Management, to carry out an extensive market test for a new long-term lease for between 10,000 to 13,000 square metres in A-Grade office accommodation in Civic or Barton, with a lease commencement of 13 May 2025. Fourteen responses were received, nine of which were for existing buildings requiring refurbishment, with the remaining five for new buildings to be constructed under a pre-commitment lease agreement.

4.1.2 While the options for a new building under a pre-commitment lease agreement were viable and could be delivered by the required commencement date, all proposed higher rentals and lower lease incentives than available in the existing buildings. They also presented higher risk profiles.

4.1.3 Of the nine existing buildings offered, three were selected for due diligence and lease negotiation. The remaining six were rejected for being too small, having inefficient floor plates, unsuitable locations and uncertainty on their ability to meet the May 2025 delivery date.

4.1.4 The following options were considered in the Cost Benefit Analysis (CBA).

- **Option 1 – 21 GS** – status quo option of continuing occupation of the current space in 21 GS under the ATO MoU to May 2025 then on a monthly basis under the ATO head lease. This option was unrealistic but was used to set the baseline cost of the “do nothing” option.
- **Option 2 – 21 GS** – negotiate a new long-term lease direct with the landlord, Charter Hall, in return for a full refurbishment of the building. This option required a staged refit of the DVA floors over a period of 24 months in coordination with the base building refurbishment.
- **Option 3 – 18 MC** – new lease with ISPT Pty Ltd for the whole of Levels 1 to 6 at 18 MC. The building is currently undergoing a major refurbishment, which will allow DVA to take access for fit-out in July 2024.
- **Option 4 – 26 Narellan St** – new lease with QIC of the whole of Levels 2 to 6, 26 Narellan Street. The timing of the lease commencement for this option was subject to vacation of the space by the ATO and its sub-tenant, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA). Due to timing uncertainty, this option was excluded from further consideration.

4.1.5 The CBA concluded that 18 MC presented the lowest risk for the DVA and offered overall best value for money for the Commonwealth, and was endorsed by the Minister for Finance on 8 January 2024.

5.0 SCOPE OF WORKS

5.1 FIT-OUT SUMMARY

5.1.1 The proposed fit-out calculation will be based on a usable floorplate of 12,063 square metres with part Level 1 (1,587m²) being a non-office floor with just five work points for the Veterans' Review Board (VRB). The VRB is an independent statutory body that provides services to DVA clients.

5.1.2 The proposed composition of the Level 1 floorplate will include the following key areas where segregation from the main staff occupied floors is required.

- **Sprint Hub** – The primary focus of this space is for external stakeholder engagement. This area is used for veteran and community forums where presentations and functions are held. At times, this can be used out of business hours.
- **Production Room** – This is a recording-like studio for media productions, such as podcasts and staff training videos.
- **Wellness Suite** – The Wellness Suite aligns with the *DVA 2023 Staff Wellbeing Plan*, and will provide a number of amenities, including a family room, first aid room, multi-faith/reflection centre, and stretch/meditation rooms.
- **Diversity and Inclusion** – Yarning Circle and gender-neutral amenities.

- **Veterans' Review Board** – The VRB is an independent tribunal that delivers services to both veterans and current serving members.
- **Conferencing Centre** – Conference and meeting rooms with breakout areas.

Floor	NLA m ²	Work Points 80%	Work Point Density m ²	Staff Density Actual	Staff Density m ²
Level 1	1,587 (excl.)	5	NA	6	NA
Level 2	2,382	184	12.9	226	10.5
Level 3	2,463	184	13.4	226	10.9
Level 4	2,387	184	13.0	226	10.6
Level 5	2,455	176	13.9	216	11.4
Level 6	2,376	135	17.6	166	14.3
Usable NLA Sub Total	12,063	868	13.9	1,066	11.3

Total NLA	13,650	868	15.7	1,066	12.8
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5.1.3 The proposed fit-out will include:

- an executive suite for the Secretary and Deputy Secretaries (and their support staff)
- allocated offices for Senior Executive Service (SES) only
- open plan office accommodation for Executive Level (EL)1 and 2 and APS Level officers
- SES offices designed for alternate uses such as meeting rooms
- all open plan workstations to be rectangular 1,800 millimetre wide with electronic sit/stand height adjustability
- on-floor breakout/hub areas and kitchens designed to support breaks, and encourage casual meetings
- a range of meeting and focus room types of varied sizes with a variety of collaboration zones (conveniently located adjacent to the open plan areas with separate air-conditioning for all rooms, with capacity exceeding eight persons)
- a dedicated secure meeting zone for the building to maximise efficiency, reducing on-floor duplication and the ability to maximise flexibility
- banks of lockers for storage of laptops and personal equipment necessary for an Activity Based Working (ABW) environment
- landlord operated business centre on the ground floor outside of the security perimeter
- secure rooms
- mail room, equipment, storage and resource areas
- two separately air-conditioned communications equipment rooms on each floor to ensure the maximum distance for communications cabling is not exceeded

- parent, carers, first aid, and reflection rooms
 - secure basement parking spaces
 - loose furniture, which includes task and meeting room chairs, meeting room tables, breakout tables, chairs, stools and other casual seating
 - minimised use of fixed joinery to provide greater flexibility for rearrangements.
- 5.1.4 A concept fit-out plan of a typical floor is at **Attachment A**.
- 5.1.5 It is too early to identify where specific business groups will be located in the new building. In order to cater to structural changes that are likely to occur within DVA, the fit-out will be designed to provide a flexible and generic layout capable of accommodating most groups with minimal changes.
- 5.1.6 The location of specific business groups will be determined through the staff consultation process. General principles will apply, such as co-locating business groups on the same floor plate where possible. The location of some business groups will also be influenced by their required proximity to relevant infrastructure (e.g. Security Team near the Zone 4 space, Legal Team near the legal library).
- 5.1.7 Offices and meeting rooms will be located away from the perimeter to enable maximum efficiency with an open office layout and equitable access to natural light.
- 5.1.8 Building services, including air conditioning, lighting, electrical distribution, fire protection and plumbing to kitchen facilities will be integrated with construction of the base building, resulting in cost savings to DVA.
- 5.1.9 The use of wireless data connectivity (i.e. Wi-Fi) has been implemented in the current fit-out design to minimise installation of cabling.
- 5.1.10 Audio Visual equipment, such as TV screens, will be selected to reflect current trends in presentation and teleconferencing technology.
- 5.1.11 Interconnecting stairs between floors will be provided to facilitate staff movement between floors and encourage a high level of interpersonal communication.
- 5.1.12 The base building electronic access control system will be extended to tenancy doors.
- 5.1.13 The new building allows for a single security and reception facility in the ground floor lobby with speed stiles restricting access to the lift lobby.
- 5.1.14 The table on the following page provides a summary of the proposed fit-out at 18 MC in comparison to the existing facilities provided at 21 GS.

ITEM		21 GS	18 MC	COMMENTS
Workstations	WORKSTATIONS – OPEN PLAN	798	793	All new 1,800mm straight sit-stand workstations with dual ergonomic monitor arms.
	EXECUTIVE	21	21	
	OFFICES – SES	47	46	
	OFFICES – Deputy Commissioners	3	3	
	VRB	5	5	
	Total Workstations	874	868	
Meeting Rooms	CONFERENCE ROOMS (12pers+)	3	14	Improved AV capabilities with modern fit-out design, providing flexibility for multiple activities.
	MEETING MEDIUM (8-10)	6	5	
	MEETING SMALL (4-6)	3	21	
	COACHING/FOCUS ROOMS	18	49	
	Total Meeting Rooms	30	89	
Operational & Support	LIBRARY	Yes	Yes	Improved layout with dedicated Legal area.
	ICT COMMUNICATIONS	Yes	Yes	Dedicated communications/patch rooms on each floor.
	ZONE 4	Yes	Yes	New improved dedicated compliant Zone 4 room with Secure Vidicon capability.
	SPRINT HUB	Yes	Yes	New purpose built production room. Improved collaboration space and breakout facilities.
Diversity & Inclusion	YARNING CIRCLE	No	Yes	New capability to provide a quiet space for storytelling and reflection.
	GENDER NEUTRAL AMENITIES	No	Yes	Provide amenities that cater for gender diversity of staff.
	MULTI FAITH/RECONCILIATION	No	Yes	Safe and inclusive environment where staff can have privacy to practice their faith / self-reflect.
Staff Wellbeing	FAMILY	No	Yes	Short-term use space for older children e.g. waiting for after school transport.
	STAFF BREAKOUT/KITCHENETTES	Yes	Yes	Improved breakout areas with modern fixtures and enhanced general outlook and natural light.
	FIRST AID	Yes	Yes	Compliant first aid room with all facilities e.g. stretcher bed, wheelchair, sink, first aid kit, etc.
	CARERS ROOM	Yes	Yes	Ability for returning parents to care for infants with comfortable facilities to support feeding.
	STRETCH / WELLBEING	No	Yes	Multi-purpose space that can be modified to suite various wellness activities.

6.0 SITE SELECTION

- 6.1.1 18 MC is well positioned within the city precinct with easy access to London circuit and within walking distance to public transport, car parking and the imminent arrival of Stage 2 light rail access.
- 6.1.2 The building currently houses other Commonwealth agencies: the Civil Aviation Safety Authority (CASA) and Australian Maritime Safety Authority (AMSA).
- 6.1.3 The building is located near pedestrian and cycle pathways connecting to Lake Burley Griffin and surrounds, supporting staff who access alternate modes of transport and outdoor recreational activities.
- 6.1.4 The building is an A-Grade building with some of the key features as follows.
- Large efficient floor plates of 2,200 square metres with an abundance of natural light across all floors and internal stairs.
 - Building sustainability features include rooftop solar, rainwater tanks and energy saving utilities.
 - Upgraded end-of-trip facilities including change rooms, bicycle racks, lockers, and showers.
 - On-site car parking facilities (noting DVA does not provide all staff with parking).
 - New floor coverings, ceilings, window furnishings and light fittings replaced as part of the base building refurbishment.
 - New male, female and accessible toilets on each floor refurbished with new fittings and finishes, including touchless taps and toilet cisterns.
 - The ground floor offers a range of bookable conference and meeting facilities known as ISPT's Flex. The facility reduces the requirement for large meeting facilities within DVA's fit-out.
 - A cafe on the ground floor plus nearby retail and food outlets providing a high level of amenity for staff.
 - The building is located opposite a new light rail station, which is targeted for completion in 2024. The light rail will provide convenient access for staff to the bus interchange and retail facilities such as the Canberra Centre on the northern side of the city.
 - The landlord is installing a number plate recognition parking management system which will provide staff with the ability to book spaces in the basement carpark which are not permanently allocated to tenants.
 - Ground floor concierge and security speed stiles provided by the landlord.

7.0 PLANNING DESIGN AND CONCEPT

7.1 FLEXIBLE WORKING

- 7.1.1 DVA's working environment has evolved in line with other agencies with a flexible and changing environment, including the hybrid-working model. DVA currently operates from an 80 per cent workstation allocation model (i.e. DVA has 874 workstations for 1,066 staff (approximately 80 per cent) at 21 GS. DVA has had a *Desk Sharing in DVA* policy in place since September 2020, which informs the allocation of workstations and responsibilities in a hybrid-working environment.
- 7.1.2 The benefits of unallocated neighborhood seating are well known within government as they provide for more efficient and flexible use. DVA's design will have a strong focus on staff wellbeing and deliver a workplace that promotes interaction and collaboration.
- 7.1.3 The proposed concept design also aligns with the existing *DVA Accommodation Fit-Out Guide*. These designs have been developed in consultation with relevant experts to ensure all relevant DVA and legislative requirements are met.
- 7.1.4 In accordance with Finance requirements, DVA has established the following office fit-out and occupancy principles, which apply to all new fit-outs or fit-out rearrangements where economically viable.
- Target of 14 square metres per work point
 - Progressive implementation of an agile working model
 - Work from Home (WFH) policy of 6 days WFH out of 10.
- 7.1.5 The new fit-out provides 1,800 millimeter rectangular sit/stand workstations and an adequate ratio of meeting rooms, quiet rooms and casual breakout spaces. DVA's forecast head count for the Canberra office is approximately 1,066. Construction of the fit-out to an agile working model to an 8:10 work point to occupant ratio will provide 868 work points plus meeting, conference, special purpose and training rooms.

7.2 CHILDCARE PROVISIONS

- 7.2.1 While DVA does not provide child-care facilities, there will be a Parents Room to support some interaction on a temporary short-term basis.

7.3 SITE PLANNING

- 7.3.1 In conjunction with the landlord, the site planning is summarised as follows.

<p>Base Building Services</p>	<p>All base building services including lighting, fire services, mechanical will be reconfigured to suit the proposed DVA floor plans. All engineering design, compliance and certification will be in accordance with the relevant building codes.</p>
<p>Electrical & Data Services</p>	<p>The electrical installation will include electrical supply, metering, distribution, lighting that will employ tenancy sub-metering and a highly efficient automated lighting control system with daylight harvesting.</p> <p>Data will be Category 6a data cabling throughout the tenancy. A Distributed Antenna System for mobile and 4G coverage and a Video Distribution System including Internet Protocol Television (IPTV), Digital Signage and Way Finding will be incorporated into the design of the building.</p>
<p>Hydraulics</p>	<p>The specific fit-out Hydraulic Engineering Service installations will be in accordance with requirements of the National Plumbing Code AS/NZS 3500 and include:</p> <ul style="list-style-type: none"> - potable and non-potable water supply; - cold water storage and pump system; and - sewer drainage and sanitary plumbing.
<p>Mechanical</p>	<p>The fit-out Mechanical Engineering Service installations to the building will be in accordance with the requirements of the AS/NZS 1668 series and include:</p> <ul style="list-style-type: none"> - minimum noise and vibration characteristics; - reasonable maintenance costs; - proven design with environmentally sustainable principles; - reliability & durability; and - ease of maintenance without entry to tenant areas.
<p>Acoustics</p>	<p>The fit-out design criteria and building performance for ambient noise ratings will be in accordance with AS/NZS 2107:2016.</p> <p>Acoustic performance criteria has been incorporated into the fit-out brief to ensure adequate noise insulation between offices, meeting rooms, training rooms and other work spaces. Attention will also be given to air-conditioning detailing to reduce noise from moving air and mechanical plant.</p>

<p>Environmental Sustainability</p>	<p>The base building and fit-out will be designed, constructed, operated and maintained in order to use energy and water as efficiently as possible and comply with Australian Government and DVA requirements.</p> <p>The fit-out will maximise the use of environmentally sustainable and recyclable materials wherever possible. DVA supports implementation of sustainable purchasing practices and policies as described in ISO20400:2017 Sustainable Procurement Guidance.</p> <p>The site will be taken as “cold shell” which significantly reduces waste with no demolition required.</p>
<p>Provisions for People with a Disability</p>	<p>The proposed fit-out will meet disability access requirements in accordance with the <i>Disability Discrimination Act 1992</i> with a strong focus on Dignified Access unless otherwise noted with an approved Performance Solution.</p> <p>The main entrance doors are designed without stairs and will enable access for people with disabilities. The building also caters for ambulant amenities. The basement parking includes accessible parking for staff.</p>
<p>Occupational Health and Safety and Wellbeing</p>	<p>The fit-out will have a strong emphasis on staff wellbeing with a dedicated portion of Level 1 being a ‘Community/Corporate Hub’.</p> <p>This will comprise of:</p> <ul style="list-style-type: none"> - multi-use client and stakeholder spaces; - specialty Veteran Review Board (VBB) and Sprint Hub areas; and - a Wellness Suite with first aid, carers, and multi-faith areas. <p>Additionally, DVA will work closely with recognised Workplace Health and Safety consultants to ensure that the fit-out design complies with the <i>Work Health and Safety Act 2011</i> (Commonwealth).</p>

7.4 PLANS AND DRAWINGS

7.4.1 The proposed fit-out concept design is indicative only. Further development of the design and staff engagement will continue. All staff consultation will occur once a final proposed concept design has been developed and Parliamentary Works Committee approval has been received.

7.4.2 The proposed fit-out concept design for a typical floor is included at **Attachment A**.

8.0 OTHER ISSUES

8.1 KEY LEGISLATION

8.1.1 The project will comply with all local, state and federal legislation.

8.1.2 Throughout the project delivery, DVA will comply with all relevant building codes, standards and regulations.

8.2 HERITAGE AND GEOGRAPHICAL CONSIDERATIONS

8.2.1 There are no known heritage or geographical considerations for this site.

8.3 ENVIRONMENTAL IMPACT ASSESSMENTS

8.3.1 There are no known issues for this site.

8.4 LOCAL IMPACT ASSESSMENT

8.4.1 A Local Impact Assessment was not required.

8.4.2 DVA does not foresee any negative impacts on the local community (including local business, traffic flow, transport, and community resources) as a result of the proposed fit-out and occupation of 18 MC.

8.4.3 The relocation to 18 MC ensure will provide a positive effect on the local economy through:

- attracting and retaining staff to work in the area;
- anticipated additional jobs within the construction industry for the delivery of the project and continued support for local trades and services with ongoing maintenance and supply requirements; and
- support of local businesses frequented by DVA employees.

8.5 COVID-19

8.5.1 DVA will work with its specialists to ensure that the fit-out design considers health advice and lessons learnt from the global COVID-19 pandemic.

9.0 CONSULTATION

9.1 STAFF CONSULTATION

9.1.1 DVA is committed to ensure staff consultation is at the forefront of the design process and several strategies has been established.

- **Internal Project Governance Framework** – DVA will have broad staff representation across its internal Working Groups and Committees. These will serve as one of the main information conduits for staff to be kept apprised of developments, to table issues relevant to their business areas, and provide sign-off at key stages of the project. There will also be Commonwealth Public Sector Union (CPSU) representation at the working group level.

- **Communication Strategy** – DVA has established a robust communication strategy that includes: project and communications plans, dedicated intranet site, project mailboxes, interactive staff surveys and regular all staff updates.
- **Change Management** – DVA has engaged a specialised change management consultant that will work in partnership with Cox Architecture to ensure the design is conducted in a consultative and transparent manner.

9.1.2 Staff will be engaged throughout the fit-out design process including having the ability to participate in the selection of certain items including colour themes and finishes. This will be achieved through working groups and surveys where feedback will be sought prior to final selections being made.

9.1.3 The number of workstations in the proposed fit-out at 18 MC (868) is close to the number currently at 21 GS (874). The forecasted staff count at commencement is also expected to remain the same (at 1,066 staff). DVA will continue to operate under the 80 per cent workstation allocation model at 18 MC as is currently in place at 21 GS.

9.2 STAFF AND CPSU ENGAGEMENT ACTIVITIES TO DATE

9.2.1 DVA has completed the following engagement activities with staff and the CPSU.

- **November 2022** – DVA notified the CPSU of its intention to approach the market to secure a new lease arrangement.
- **February 2024** –
 - DVA advised the CPSU of the intention to distribute an email to all ACT based staff from the Secretary, advising them of end-of-lease arrangements for 21 GS. DVA also communicated its commitment to working with the CPSU and staff on next steps, including the fit-out.
 - DVA Secretary held an interactive in person and broadcast briefing with Canberra staff informing them of the relocation to 18 MC, which was followed by the release of the Secretary's email.
 - An intranet page informing staff of the relocation and fit-out went 'live', including proposed floor plans. Staff were informed of plans for consultation and provided with mechanisms to provide feedback to the Project Team.
 - Inaugural meetings for the Project Board, AWG, and SME Reference Group were held. Union and non-union staff representatives are members of the AWG committee and SME group. Discussions held at these meetings included input into the fit-out design.

9.3 STAKEHOLDER ENGAGEMENT

9.3.1 DVA has/or will commence consultation with the following internal and external stakeholders.

- DVA Executive
- Repatriation Commission

- VRB
- DVA Employee Relations
- DVA Work Health & Safety
- DVA Workplace Diversity
- DVA Diversity Committees (5)
- CPSU
- Finance
- JLL (Property Services Provider)
- Cox Architecture (Architectural Design)
- LCI Pty Ltd (Services Engineer)
- WT Partnership (Quantity Surveyor)
- ISPT (Landlord)

10.0 COST EFFECTIVENESS AND PUBLIC VALUE

10.1 FORECASTED PROJECT COST

- 10.1.1 DVA has established a total fit-out budget forecast of \$29.60 million based on the concept design and advice from the Quantity Surveyor. DVA will continue to look at ways to ensure the project cost achieved the best value for money outcome for the Commonwealth.
- 10.1.2 Funding of the proposed fit-out cost will be sourced through the landlord lease incentive and a landlord 'cold shell' credit. Any residual incentive will be applied as rent abatement.

10.2 PROJECT DELIVERY METHOD

- 10.2.1 DVA has engaged JLL as Project Manager under the Whole of Australian Government Property Services Coordinated Procurement Arrangements for the fit-out works and will work collaboratively to ensure value for money is achieved throughout the project.
- 10.2.2 JLL has been engaged under a managing contractor model, which is expected to achieve efficiencies over the alternative delivery methods (i.e. open tender lump sum).
- 10.2.3 Cox Architecture and LCI have been engaged to complete the concept designs and are expected to continue to develop detailed designs for the project.
- 10.2.4 WT Partnership has been engaged to prepare a cost estimate based on the concept plans and is expected to continue throughout the project.
- 10.2.5 The proposed fit-out works will include elements of the base building as the site will be taken as 'cold shell' resulting in a more efficient fit-out by minimising the cost risk of latent conditions.

10.2.6 Throughout the life of the project, the Quantity Surveyor will review and assess all fit-out costs at key milestones including site inspections of fit-out construction progress.

10.2.7 Building approvals have been included in the cost report mentioned above in line 26. These amounts consists of all ACT statutory obligations for works to commence. The amount for building works approval is governed by a percentage that is set by the ACT Government.

10.3 CONSTRUCTION PROGRAM

10.3.1 The key milestone for the project are as follows:

KEY MILESTONES	START	COMPLETE
DESIGN & APPROVALS	Feb 24	Jun 24
CONSTRUCTION COMMENCEMENT – BUILDING/FIT-OUT	Jul 24	Mar 25
COMMISSIONING & RELOCATION PERIOD	Mar 25	Apr 25

10.4 REVENUE

10.4.1 There is no expected revenue from the project.

10.5 PUBLIC VALUE

10.5.1 The delivery of the proposed fit-out provides public value by enabling DVA to achieve operational and cost efficiencies while continuing to maintain a workforce in Canberra. Public value associated with the project includes:

- Improvement in office operational efficiencies through the adoption of an activity-based workplace design, which will allow for a flexible and scalable office accommodation capable of meeting future changes to business requirements with minimal costs.
- Value for Money associated with improved leasing costs in the refurbished building.
- Improved ecologically sustainable development (ESD) outcomes associated with modern and efficient building services design, including lower energy costs.
- The modern design of the office fit-out and its associated amenity is expected to attract staff to return to the office more often, which in turn provides benefits to local small businesses.
- Creating jobs during construction and fit-out works including through the engagement of local small business and Indigenous providers where possible.
- Making use of existing and proposed public transport facilities.

ATTACHMENT A: FLOOR PLAN

LEVEL 2 PREFERRED OPTION
13m² per workpoint

SPACE TYPE	QTY TYPICAL FLOOR	QTY ACROSS WORKFLOORS
GENERAL WORKSTATIONS	174	790
SES BAND 1 OFFICE	7	33
SES BAND 2 OFFICE	3	13
TOTAL WORKPOINTS	184	836
FOCUS / 1:1 COACHING ROOMS	11	49
SMALL MEETING ROOM (4-5)	5	21
LARGE MEETING (6-8)	1	5
CONFERENCE ROOM (10+)	2	14
COLLABORATION	22	104
LOCKERS	243	1197
SERVER ROOM	1	5
UTILITY	2	10
KITCHEN	1	5
BEVERAGE POINT	1	5

* Excludes Executive & Deputy Commissioner suite

EA WORKPOINT (10 WORK POINTS)

