



Australian Government



**Services  
Australia**

**Proposed Fit-out of Existing Leased Premises at  
Caroline Chisholm Centre 57 Athllon Drive Greenway,  
Australian Capital Territory**

Services Australia

1.0 Public Submission

to the Parliamentary Works Committee

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## 1 Executive Summary

- 1.1.1 Services Australia (the Agency) is responsible for the delivery of advice and high-quality, accessible social, health and child support services and payments. The Agency is the front line of the Australian Government for many Australians, and it strives to provide services that are simple, helpful, respectful and transparent. The Agency is required to manage a large, diverse property portfolio and is seeking to consolidate 4 sites in Tuggeranong, Australian Capital Territory, to deliver operational and financial efficiencies. The consolidation activity will not impact customer facing service and will not reduce jobs for Agency staff.
- 1.1.2 A Cost Benefit Analysis (CBA) established the renewal and fit-out of the Caroline Chisholm Centre (CCC) at 57 Athllon Drive Greenway, and the departure from the two Reed Steet sites, situated at 134 and 186 Reed Street, Greenway, represented the best value for money outcome for the Agency. The proposed consolidation will position the Agency to enact a wider consolidation and rationalisation strategy in Tuggeranong where there is potential to harvest significant savings by reducing its property footprint by 20,638m<sup>2</sup>.
- 1.1.3 The CCC has 40,239m<sup>2</sup> of leased area of which 38,606m<sup>2</sup> of office accommodation is the subject of this Public Works Committee (PWC) submission. The Landlord has offered a lease commencing in July 2025 for a 12-year term with a 5-year option. The lease at CCC and associated fit-out, combined with the lease at Louisa Lawson Building (LLB), will provide sufficient leased space for the Agency in Tuggeranong.
- 1.1.4 On 25 March 2024, the Secretary of the Department of Finance (Finance), Jenny Wilkinson, advised that the Minister for Finance, Senator the Hon. Katy Gallagher, had endorsed the Agency entering a new initial 12-year lease for the CCC.
- 1.1.5 The Landlord will be responsible for upgrading amenity spaces in accordance with the lease. The Agency will be responsible for completing the fit-out, to an estimated project cost of \$144.49 million (excluding GST). A summary of key facts is in Table 1.

**Table 1: Key Facts**

	<b>Current</b>	<b>Proposed</b>
Buildings	3	1
Net Lettable Area	60,877m <sup>2</sup>	40,239m <sup>2</sup>
Allocated Staff	3,884	3,483*
Work Points	3,974	2,791
Estimated Project Cost (excluding GST)	\$0	\$144.49 m
Expected Life	3 Years	10 years

\*Staff will also transition to LLB from the CCC and Reed St sites.

## **2 Purpose of the Works**

### **2.1 Purpose**

2.1.1 The Agency proposes to undertake fit-out works for CCC, located at 57 Athllon Drive Greenway. This consolidation is known as the CCC Project. This will provide fit-for-purpose office space and is the key project supporting the consolidation of 4 of its Tuggeranong sites into two by 2027. This proposal is in accordance with the Commonwealth Leasing Strategy.

### **2.2 Key Objectives**

2.2.1 The key objective of the CCC Project is the realisation of several business efficiencies, including:

- A fit-for-purpose property solution,
- A more efficient occupancy work point density,
- Improving energy efficiency by reducing emissions and supporting the Australian Governments Net Zero in Government Operations (NZGO) Strategy,
- A transition to a working environment capable of scaling and with an ability to respond to surge,
- Increased staff collaboration through efficient allocation and utilisation of workspace and resources, and
- Relinquishment of the two existing leased assets of 134 Reed Street and 186 Reed Street upon lease expiry.

### **3 The Need for the Works**

#### **3.1 Entity Operations**

- 3.1.1 The Agency has the second largest property portfolio in the Commonwealth after the Department of Defence. This submission only addresses 3 office sites in Tuggeranong, CCC at 57 Athllon Drive, 134 Reed Street and 186 Reed Street, Greenway.
- 3.1.2 The Agency's national offices, including numerous operational teams, are primarily situated in Tuggeranong. These teams provide extensive support to the wider Agency who are situated around Australia at face-to-face sites, smart centres, support and processing sites and occasional pop-up facilities
- 3.1.3 To continue to provide high quality Government services from Tuggeranong, the Agency proposes to deliver a fit-for-purpose solution that will:
- Meet Commonwealth occupational density targets and maximise 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 and
  - Provide a value for money outcome for the Commonwealth.

#### **3.2 Policy and Operational Requirements**

- 3.2.1 The need to consider future accommodation was initiated in response to the impending expiration of the Agency's two Reed Street leases in 2027. The CBA confirmed that consolidation of the existing leases into one site was the best option to meet the Agency's needs for office accommodation in Tuggeranong.
- 3.2.2 The Commonwealth Leasing Strategy includes the option for consolidation of the Agency leases, providing:
- Benefits through streamlining the portfolio and allowing for improved staff collaboration,
  - Greater value for money by leveraging the Agency's purchasing power for larger space, and
  - Quality and fit-for-purpose office accommodation that aligns with the APS NZGO strategy.

- 3.2.3 The lease consolidation will not impact customer facing services and will not reduce the Agency jobs

### 3.3 Existing Leased Sites

- 3.3.1 Details of the Agency's existing leased sites in Tuggeranong are summarised in Table 2.

**Table 2: Existing Leased Sites**

Site	NLA (m <sup>2</sup> )	No. of Parking Spaces	Staff	Annual Gross Rental & Parking (\$million)	Lease Expiry	Extension Options
CCC	40,244	1,098	2,410	\$24.37	4 Jul. 2025	2 x 5 years
LLB	26,058	677	1,204	\$20.72	30 Jun. 2031	2 x 5 years
134 Reed Street	15,231	383	1,118	\$8.18	28 Feb. 2027	1 x 4 years
186 Reed Street	5,407	158	356	\$2.97	28 Feb. 2027	1 x 4 years
	<b>86,940</b>	<b>2,316</b>	<b>5,088</b>			

- 3.3.2 CCC: 57 Athllon Drive, Greenway was purpose built for the Agency in 2007. It is a 5-storey office building with a large central atrium and basement. The existing fit-out was completed in 2007 and has not been refreshed since. The existing fit-out is aged and needs replacement. The CCC is the primary focus of this submission.
- 3.3.3 LLB: 25 Cowlshaw Street, Greenway was purpose built for the Agency in 2013. It is a 4-storey office building with central atrium. The Agency occupies the whole building. The current fit-out was completed in 2013, is of a modern standard, in reasonable condition and has 1,649 work points for staff. The LLB is proposed to remain as one of two sites occupied by the Agency in Tuggeranong.
- 3.3.4 134 Reed Street Greenway was built pre-1990 and occupied by the Agency in 2013. The existing fit-out is aging and is not consistent with a modern workplace for technology, collaboration, serviceability or flexibility. The fit-out needs replacement to support a modern work environment. 134 Reed Street also has Agency ICT infrastructure in need of replacement. This is best achieved through duplication followed by decommission as opposed to relocation or in situ upgrade.
- 3.3.5 186 Reed Street Greenway was built pre-2000 and occupied by the Agency in 2009. The existing fit-out is aging and is not consistent with a modern workplace for technology, collaboration, serviceability or flexibility. The fit-out needs replacement to support a modern work environment.
- 3.3.6 The main deficiencies of the existing leased sites are summarised below:

- The fit outs for CCC, 134 Reed Street and 186 Reed Street are aging and at the end of their economic life. Neither site achieves the occupancy density target outlined in RMG500<sup>1</sup>.
- Separation of the Agency staff across multiple Tuggeranong sites creates operational and functional inefficiencies, together with increased operating costs and security risks.

3.3.7 The proposed fit-out of the CCC will meet the Agency's needs and negate the need to renew the leases at 134 and 186 Reed Street beyond expiry. The Agency staff located at the Reed Street tenancies will progressively be relocated to the newly refurbished CCC.

## 4 Options

### 4.1 Options Considered

4.1.1 4 options were considered:

- Take up the existing CCC lease option (status quo),
- Lease a new site to replace CCC,
- Occupy other existing Commonwealth leased/owned properties, and
- Negotiate a new lease for CCC.

### 4.2 Take up the Existing CCC Lease Options (Status Quo)

4.2.1 The current CCC Lease has an option for the Agency to exercise one or two 5-year lease extensions, allowing the Agency to remain as a tenant in CCC for up to 10 years. The Agency considered the impacts of exercising the CCC lease options on the wider leased portfolio. Executing the lease option would have the following effects:

- No opportunity to negotiate further incentives to address deficiencies in the current fit-out including per square metre allocation,
- Rent would likely be above current market rates, and
- Inability to transition the CCC to flexible work arrangements which would likely result in the leases for 134 and 186 Reed Street properties needing to be renewed.

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<sup>1</sup> RMG 500 is the Commonwealth Property Management Framework which establishes a foundation for achieving value for money and promotes efficient, effective, economical and ethical management of leased Commonwealth property in Australia?



### **4.3 Lease a New Site to Replace CCC**

4.3.1 The Agency considered seeking a new premises which could replace the CCC. A new or existing premises which could replace CCC would have the following effects:

- Would require extension of the existing lease using current terms for either one or both 5-year terms to allow time for new premises to be built (if new), even possibly requiring a new bridging tenancy,
- The Agency could retain all current Tuggeranong leases, providing extension options are available, whilst a new premises is either constructed or fit-out for the Agency. Relocation of staff would occur post completion of a new premises with minimum disruption, and
- Relinquishing of 134 and/or 186 Reed Street properties would most likely be delayed until 2030.

4.3.2 This option was deemed unachievable due to the tight market for A-Grade Office Accommodation in Tuggeranong and additional costs associated with fit-out, decanting, relocating staff and increased rental costs having to retain existing leases whilst also paying for constructing or fitting out a new premises.

### **4.4 Existing Commonwealth Leases or Owned Properties**

4.4.1 The Agency, as part of the Whole of Government Property Arrangement, has consulted with Finance regarding other suitable accommodation held by the Commonwealth. Due to the space required, combined with the need for the Agency to maintain a presence within Tuggeranong, no suitable existing Commonwealth space was identified.

### **4.5 Negotiate a New Lease on CCC (Preferred)**

4.5.1 The renewal of the lease for CCC was selected as the preferred option for the following reasons:

- Allows for renegotiation of the lease to include fit-out and allows relinquishment of 134 and 186 Reed Street leases on expiry,
- Allows for refurbishment of CCC in line with the Federal Government's occupancy target of 14 square metres per person or less,
- Fit-out of CCC would provide a contemporary, people-centric work environment to assist the Agency in attracting and retaining talent,

- The fit-out will align to an agile working environment in support of a hybrid work environment, and
- The renewal of the lease and associated fit-out and consolidation activities will contribute to the transition of the Agency towards its Net Zero targets.

4.5.2 On 25 March 2024, the Secretary of Finance, Jenny Wilkinson, advised that the Minister for Finance, Senator the Hon Katy Gallagher noted *“that the proposal meets the intention and requirements of Resource Management Guide No 500: Commonwealth Property Management Framework and on 20 March 2024 endorsed the proposed lease”*. The proposal was seeking endorsement for the Agency to enter a new initial 12-year lease for the CCC.

## 5 Scope of Works

### 5.1 Building Summary

5.1.1 The CCC is an existing 5-storey building comprising NLA of 40,239m<sup>2</sup>, complete with a basement and large central atrium. It was constructed specifically for the Agency and occupied in July 2008. The fit-out was consistent with Commonwealth requirements at the time of construction but does not align with current contemporary Commonwealth requirements. The scope of works is undertaken on 38,606m<sup>2</sup> of the NLA.

5.1.2 The Agency will be the sole tenant of CCC. The space dedicated to the Agency includes the following:

- Basement (Level 0):
  - Secure carpark,
  - Loading dock,
  - Mail room,
  - End of trip facilities, and
  - Extensive storage.
- Ground Floor (Level 1):
  - Office accommodation,
  - Auditorium,
  - Meeting rooms,

- Collaboration spaces,
  - Security desk, and
  - Café.
- Upper Floors (Levels 2 to 5 [Part]):
- Office accommodation, and
  - Café.
- 5.1.3 A detailed concept fit-out plan of a typical floor is provided at Annexure A & Annexure B.
- 5.1.4 An NLA of 66,306m<sup>2</sup> (CCC at 40,239m<sup>2</sup> and LLB at 26,067m<sup>2</sup>) was determined as meeting the Agency's Tuggeranong office accommodation requirements. This is a 28% reduction of the NLA compared to the existing lease arrangements. This will provide the Agency with 4,436 work points across the two sites (CCC with 2,787 and LLB with 1,649).
- 5.1.5 The CCC Landlord shall, as part of the CCC scope of works, undertake upgrade works to the following spaces in accordance with the lease agreement:
- End-of-trip facilities,
  - Amenities,
  - Provision of a new bike store, and
  - Installation of electric vehicle charge facilities.
- 5.1.6 The Landlord has provided the Agency with an incentive to offset the fit-out expense, referred to as a capital incentive, and a rent abatement. The rent abatement will be applied in equally monthly amounts for FY25/26 and FY26/27.

## **5.2 Location**

- 5.2.1 The CCC is located on the corner of Athllon Drive and Soward Way, Tuggeranong. Access to the site is via either Soward way or Athllon Drive. Pedestrian access is from the main entrance on the corner of Athllon Drive and Soward Way and a separate staff entrance from the staff carpark at the back of the building, as shown on the site location plan at Annexure C.
- 5.2.2 The CCC is located within:
- 15 minutes walking distance of LLB, the Agency's other leased building,

- 700 metres from South Point Tuggeranong shopping complex, which contains a range of food and retail outlets for staff, and
- Close proximity to multiple public parking facilities.

5.2.3 The primary means of public transport in Canberra is the bus network operated by Transport Canberra. The Tuggeranong bus interchange is located adjacent to the South Point Tuggeranong complex on Cowlshaw Street and Pitman Street. It is the main bus interchange for Tuggeranong.

### **5.3 Land Acquisition**

5.3.1 The site is an existing leased site. The proposed project does not propose any land acquisition by the Commonwealth. No changes in zoning or development applications by the Agency or Landlord in required to undertake the proposed Works.

### **5.4 Fit-out Summary**

5.4.1 The proposed CCC fit-out works will encompass:

- A full refresh of the existing tenant fit-out to support agile working with flexible desk-to-staff ratio based on business requirements,
- Office accommodation including partitioning for individual offices, meeting and conference rooms, utility and storerooms, secure rooms, training rooms, break-out spaces, staff amenities and communication equipment rooms,
- Loose furniture and workstations. Workstations to include power and data reticulated in the workstation screens in addition to wireless technology to support mobility and the use of portable devices,
- The number of workstations will allow for 8 desks per 10 staff members (with the flexibility to shift the ratio based on business requirements),
- Disability Discrimination Act compliance access to office floors, workstations and meeting rooms,
- Personal lockers allocated to each staff member assigned to the building to allow for future flexibility in alignment with the Agency's need to surge in response to national events or emergencies,
- The fit-out has capability to accommodate surge through the provision of ergonomic spaces such as collaboration spaces, meeting rooms and training rooms should additional staff need to attend the office,

- Storage will be provided to support the Agency's need to store operational assets such as computers, files (small quantity), paper, hand sanitiser, and other operational items, and
- Specialist spaces including those relocated from 134 Reed and 186 Reed Street which are required to support the business of the Agency.
- The proposed 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.
- The use of wireless data connectivity (Wi-Fi) will be installed to in the fit-out design to support mobility and the use of wireless devices.
- Audio Visual equipment will be installed to support the Agency's Audio-Visual requirements, and
- The Agency's existing access control solution which will be extended as required to suit the new office layout. New speed stiles will be installed to replace aging equipment.

## **5.5 Planning and Design Concepts**

5.5.1 There will be offices available for Senior Executive staff who are based in CCC with all other staff seated at work points configured in an open plan layout. The work points are proposed to be congregated in neighbourhoods (zones) assigned to the Divisions occupying the building. To support the open plan office flexible workspace configuration, there are multiple meeting and coaching rooms of varying size to facilitate meetings and private or confidential discussions.

5.5.2 Flexible workspace configurations offer numerous benefits that enhance both productivity and employee well-being. By allowing individuals to have choice in their preferred work environment such as smaller meeting rooms/quiet rooms for focused tasks or a collaborative area for teamwork can boost creativity and job satisfaction. Flexibility also accommodates diverse work styles and personal needs.

## **5.6 Materials and Finishes**

5.6.1 The materials and finishes proposed for use in the fit-out will be selected for low environmental impact, appearance, durability, functionality and ease of maintenance and cleaning while providing a suitable work environment for staff. Typical materials and finishes will include:

- Glass for office and meeting room partitions,
- Plasterboard painted with washable acrylic paint,
- Fabric panels on workstation screens,
- Timber veneer or laminate finishes to workstations and meeting tables,
- Feature colours on selected painted walls and plasterboard,
- Feature ceilings in key areas, and
- Where possible, the design team will implement the use of recycled materials in the fit-out.

## **5.7 Environment, Heritage and Sustainability**

5.7.1 The proposed fit-out will be designed, constructed, operated and maintained to minimise the use of energy and water as much as possible and comply with the following statutory requirements:

- Energy efficiency requirements of the National Construction Code (Volume 1, Section J), and
- NZGO Strategy.

5.7.2 The CCC complies with the Commonwealth energy guidelines relating to energy efficient buildings and meets a 5.5-star National Australian Built Environment Rating System Rating (NABERS). The landlord is continuing to improve CCC's energy efficiency rating and proposes to install the following, as part of their upgrade works:

- An extensive rooftop solar photovoltaic system to offset electricity consumption,
- Mechanical systems transitioning away from gas to renewable electric solutions,
- Light Emitting Diode (LED) lighting
- Integration with the existing Building Management System to control the plant, and
- Electric Vehicle Chargers

5.7.3 The principles of Environmentally Sustainable Design have been adopted in the design of the proposed fit-out Works as follows:

- Recycling of construction waste,
- Detailed building tuning and commissioning to ensure efficient building operation,

- Use of paints, flooring, carpets, adhesives and sealants with low Volatile Organic Compound emissions,
- Inclusion of engineered timber products with low or zero formaldehyde emissions,
- Selection of environmentally certified products,
- Use of thermal insulation and refrigerant products with zero Ozone Depletion Potential,
- Use of water efficient fixtures and appliances,
- Lighting controls with time clocks, motion sensors and daylight sensors to minimise wasted energy, and energy efficient lighting design including consideration of LED lighting options,
- Achieve the Commonwealth minimum energy efficiency target of a 5.5-star NABERS rating for the fit-out,
- Incorporate installation of energy efficient light fittings and an intelligent lighting control system which includes ambient light level detection devices for daylight sensing and motion detectors for after-hours lighting control,
- Deliver a fit-out density which will assist the Agency in reducing its carbon footprint, and
- Maximise the use of environmentally sustainable and recyclable materials, wherever practical.

5.7.4 The fit-out will also target a 5.5 Star Energy rating in accordance with Commonwealth guidelines. This will be achieved through the following:

- Modifying the lighting control systems throughout the tenancy ensuring lights are switched off when not in use,
- Purchasing of energy efficient white goods and office machines, and
- Ensuring personal computers are switched off when not in use.

5.7.5 Items installed as part of the fit-out shall achieve the required water efficiency standards.

5.7.6 There are no heritage issues in relation to this site.

## **5.8 Car Parking provisions**

- 5.8.1 The parking spaces will accommodate the Agency's fleet vehicles, visitor parking, and dedicated parking for SES employees. The available parking will also provide accessibility parking spaces for staff and visitors.
- 5.8.2 The CCC has extensive parking spaces available. Following allocation of spaces to SES employees, visitors and fleet vehicles, the remaining spaces will be available for staff at a reduced cost.
- 5.8.3 The Agency's fleet vehicles are transitioning to electric vehicles. The Landlord will install new charging points to support electric vehicles as part of Base Building upgrade Works.

## **5.9 Accessibility**

- 5.9.1 As part of the new lease arrangements, the Landlord will be upgrading the base building with the following provisions for people with disabilities:
- Designed to comply with the latest edition of AS1428.2 and as a minimum, it must comply with the mandatory parts of the code under the NCC, and
  - Provide suitable access throughout each of the tenancy spaces for people with disabilities including wheelchair access.
- 5.9.2 The fit-out will be designed to Disability Discrimination Act requirements and standards.

## **5.10 Child-care provisions**

- 5.10.1 No on-site childcare facilities are proposed. However, there are numerous facilities within a two-kilometre radius of the site. In addition, staying in the current location means any current child-care arrangements made by staff can remain unchanged.

## **5.11 Lift Provisions**

- 5.11.1 The building comprises 4 separate lift cores with a total of 11 lift cars. 7 of the lift cars connect the basement to the top floor. The other 4 cars terminate on the ground floor (Level 1). The number of lifts was calculated when the building was constructed in 2007 against the standards of the day. The lifts were compliant with the 2007 Property Council of Australia Grade A building requirements. There is no intent to change the number of lifts in the building.



## 5.12 Security Provisions

5.12.1 The building's current physical security arrangements meet the Agency's requirements in accordance with the Australian Government's Protective Security Policy Framework (PSPF). The physical security design will cover:

- The Tenancy perimeter will be constructed to a Zone 2. Specialist areas will be constructed to a Zone 3 or 4 in accordance with the PSPF, and
- Individual physical security control elements will include:
  - An integrated Security Alarm System,
  - Building Electronic Access Control Systems, and
  - Closed-circuit television.

## 5.13 Fire Protection

5.13.1 The building fire systems were designed and installed in accordance with the Building Code of Australia and Australian Standards in force at the time of original building design. Where required fire systems will be upgraded as part of the fit-out to achieve building occupancy certification. The fire services upgrade and modifications will be undertaken by the fit-out in accordance with the Building Code of Australia and local Fire Brigade Authority requirements, including:

- Fire protection, detection systems, smoke hazard management and fire egress travel distances in accordance with the Building Code of Australia and AS1670 and AS2118,
- Battery operated self-contained emergency lights and exit signs connected to a computerised automatic testing system, including toilets, plant rooms and switch rooms, the office area and parking as per AS2293,
- Emergency Warning and Intercommunication System,
- Extinguishers, fire blankets,
- External and internal hydrant system,
- Internal fire hose reel system, and
- Ancillary alarm outputs to various building sub systems.

## **5.14 Hydraulic Services**

5.14.1 Any Hydraulic Engineering Service for the fit-out will be in accordance with requirements of the National Plumbing Code AS/NZS 3500 and may include:

- Potable water supply to team points, breakout spaces and the like,
- Sewer drainage and sanitary plumbing, and
- Water efficient tapware and flushing devices.

## **5.15 Electrical and Communications Services**

5.15.1 The fit-out will include electrical distribution to socket outlets, lighting and special purpose power in compliance with National Construction Code AS/NZS 3000.

5.15.2 The base building automated lighting control system will be integrated into the fit-out where required to suit the revised tenancy layout.

5.15.3 Category 6a data cabling will be used throughout the building to support the Agency's ICT solution.

## **5.16 Mechanical Services**

5.16.1 The Mechanical Engineering Service systems installed as part of the fit-out will be designed to integrate into the operation of the base building systems.

## **5.17 Acoustics**

5.17.1 The existing building design incorporates measures to reduce noise in the work environment including double glazed external windows, acoustic ceiling tiles and carpeted floors. Any changes or augmentation undertaken as part of the fit-out will be considered regarding impacts on acoustics and noise.

5.17.2 Acoustic performance criteria has been incorporated into the fit-out design to ensure adequate noise insulation between offices, meeting rooms, conference rooms, training rooms and other workspaces. Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements of Australian Standard AS2107.

## **5.18 Details of Applicable codes and standards**

5.18.1 The fit-out will comply with all statutory requirements including the National Construction Code, Australian Capital Territory requirements and Australian Standards, and the Agency and Commonwealth requirements for ICT and security. The Agency will

ensure that all relevant codes and standards are included in the design and building briefs.

## **5.19 Building Certification**

5.19.1 An accredited independent Building Certifier will be engaged to certify compliance of all Works.

## **5.20 Work Health and Safety**

5.20.1 In accordance with the requirements of the Work Health and Safety Act 2011, the design phase for the fit-out will include Safety in Design Workshops. These workshops will review the design with a view to identifying any risks associated with safety during the construction phase and safety during the operational phase.

5.20.2 The Agency's Project Manager / Contact Administrator (PMCA) has an obligation to monitor the developer's construction contractor's compliance with WHS requirements.

## **6 Other Considerations**

### **6.1 Impact on the local community**

6.1.1 The Works are expected to have a positive, short-term effect on the local economy. Short-term positive impacts include:

- Creation of jobs during fit-out, (consultants, construction workers, suppliers and related services)
- Use of locally sourced materials during construction, and
- Uplift in local services business (cafés and the like) adjacent CCC to support the temporary construction workforce.

6.1.2 The Agency anticipates the Works will have no significant change to local businesses who are reliant on the existing Agency staff located at CCC, as the staff will remain in Tuggeranong.

### **6.2 Staff Consultation**

6.2.1 Formal staff consultation on the proposed fit-out design has commenced with specific divisions and is expected to continue to occur as design development progresses. Consultation will include:

- the provision of a proposed fit-out design that meets the operational needs of staff for comment and feedback,
- information sessions regarding the use of unallocated workspaces across the CCC, and
- what the proposal means for them.

6.2.2 Senior Executives and key staff representatives of the specialist business areas were consulted extensively on the fit-out design. The consultation outcome was a detailed set of workforce requirements which guided the preferred accommodation solution. This approach to the Works ensures the fit-out of the specialist business areas will be fit for purpose.

### **6.3 External Consultation**

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

6.3.2 The following external agencies and business have been consulted to date:

- Finance,
- JLL,
- Conscia,
- Frasers Property (Building Owner),
- Engine RoomVM (Building Owner Project Manager),
- Davenport Campbell, and
- WT Partnership.

6.3.3 During the Public Consultation period the Agency will consult more broadly as required with relevant Federal Members, State Ministers and residents and organisations in the Tuggeranong region.

## **7 Cost Effectiveness and Public Value**

### **7.1 Works Delivery Strategy**

7.1.1 The Agency will be responsible for procurement of its own head construction contractor to deliver the fit-out Works. The Agency has appointed a PMCA, Conscia Pty Ltd, to

manage the planning and delivery of the proposed fit-out works. The Agency has also established a Design Services Consultant Team. This is a multidisciplinary team to progress the design documentation, inclusive of cost estimates, to 100% for the purposes of construction tendering. The team includes:

- Interior Design (Davenport Campbell),
- Engineering and fire services (WSP),
- Quantity surveyor (WT Partnership),
- Building certifier, and
- Security Consultant (Forcefield).

## **7.2 Works Cost Estimate**

7.2.1 The estimated project budget is \$144.49 million (excluding GST) and includes contingency, project management, design and documentation and escalation to 2027. The current cost estimate is based on the Agency undertaking a Head Contractor delivery approach. The cost estimate was prepared by the Agency's quantity surveyor, based on the 50% detailed concept design for the site produced by the Agency's lead consultant, Davenport Campbell.

7.2.2 Funding for the lease and fit-out of the CCC will be from the Agency's approved property operating expenses, capital budgets and incentive contributions received from the landlord.

7.2.3 The Agency confirmed the scope of work is within the project budget and meets operational requirements. A breakdown of the project cost is detailed in the Confidential Cost Estimate.

## **7.3 Value for Money Assessment**

7.3.1 In assessing the options available, the Agency undertook analyses of all the options. The CBA included a whole-of-life cost analysis, and a risk assessment of all the options. It determined that the proposed fit-out of the CCC provides the best value for money accommodation solution. Under this scenario, the Agency would reduce its overall leased NLA within the Tuggeranong region by 20,638m<sup>2</sup> through the transition of CCC to a flexible workplace.

7.3.2 The CBA, provided to Finance and the Commonwealth Strategic Property Advisor, examined the economic feasibility of the CCC proposal and confirmed that it provides the best value for money solution.

## 7.4 Program

7.4.1 The key milestones of the fit-out are listed in table 3.

**Table 3: CCC Construction Program**

Activity	Indicative Date
Award Head Contractor	July 2025
Commence Construction	August 2025
Complete Basement	October 2025
Complete Level 1 North	January 2026
Complete Level 2 North	April 2026
Commence Departure of Reed St. Buildings	May 2026
Complete Levels 3 & 4 North	September 2026
Complete Departure of Reed St. Buildings	October 2026
Complete Levels 4 & 5 South	February 2027
Complete Makegood of Reed St. Buildings & End Leases	February 2027
Complete Level 2 South	May 2027
Complete Level 3 South	July 2027
Complete Level 1 South	August 2027
Project Practical Completion	August 2027

7.4.2 The program is subject to the passing of an Expediency Motion no later than March 2025. The fit-out will be completed as a staged delivery with construction to be complete August 2027.

## 7.5 Revenue

7.5.1 There is no expected revenue from the Works.

## 7.6 Public Value

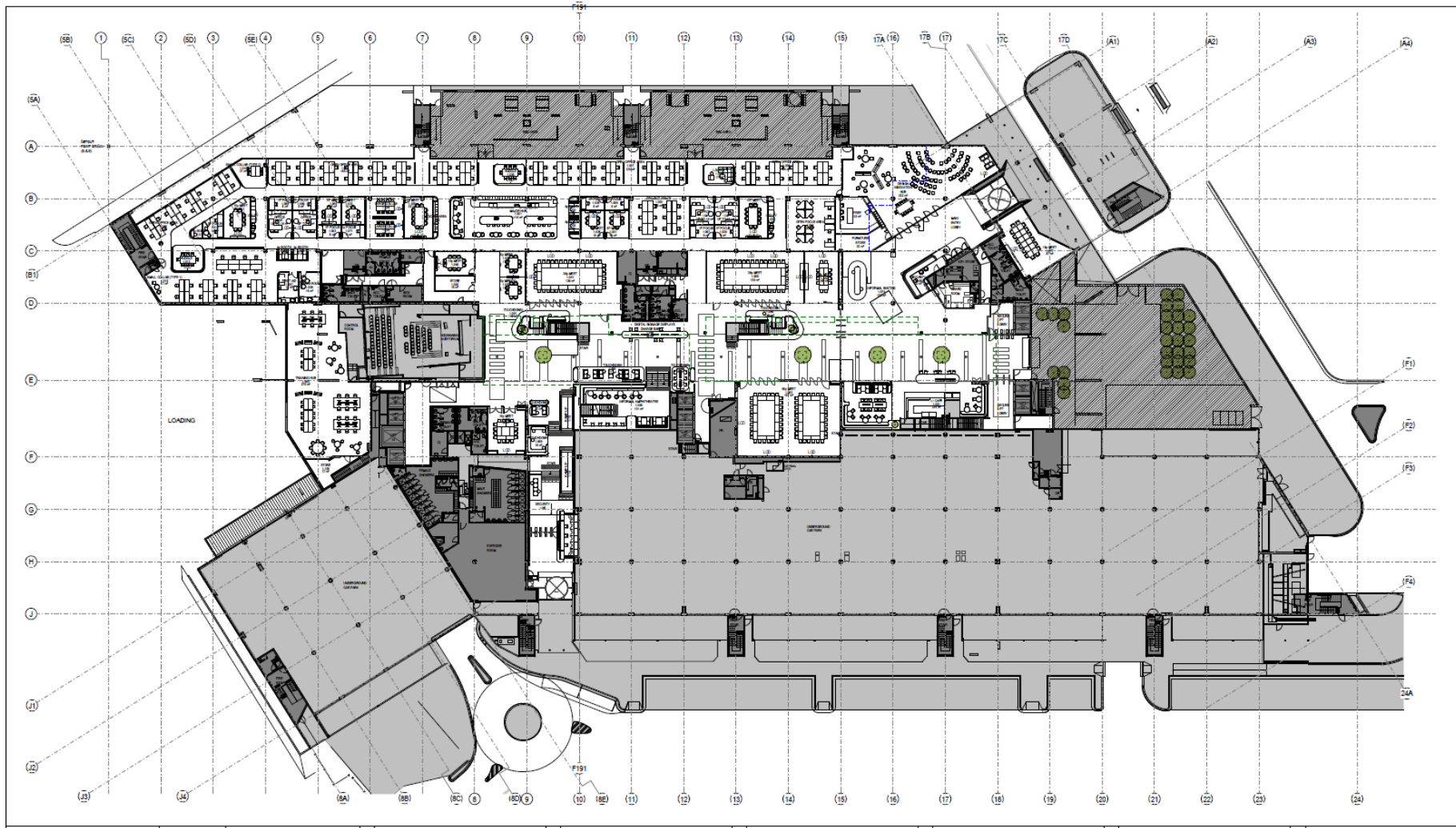
7.6.1 The public value associated with the Works include:

- The improvement in operational efficiencies derived from co-location of the 4 Tuggeranong based Agency staff into two buildings,

- Value for money associated with improved leasing costs across the Tuggeranong property portfolio,
- Improved Ecologically Sustainable Development outcomes associated with modern and efficient building fit-out design and engineering systems, and
- Efficiencies associated with higher density of operations and a reduction in the overall footprint of the Agency's operations in Tuggeranong.

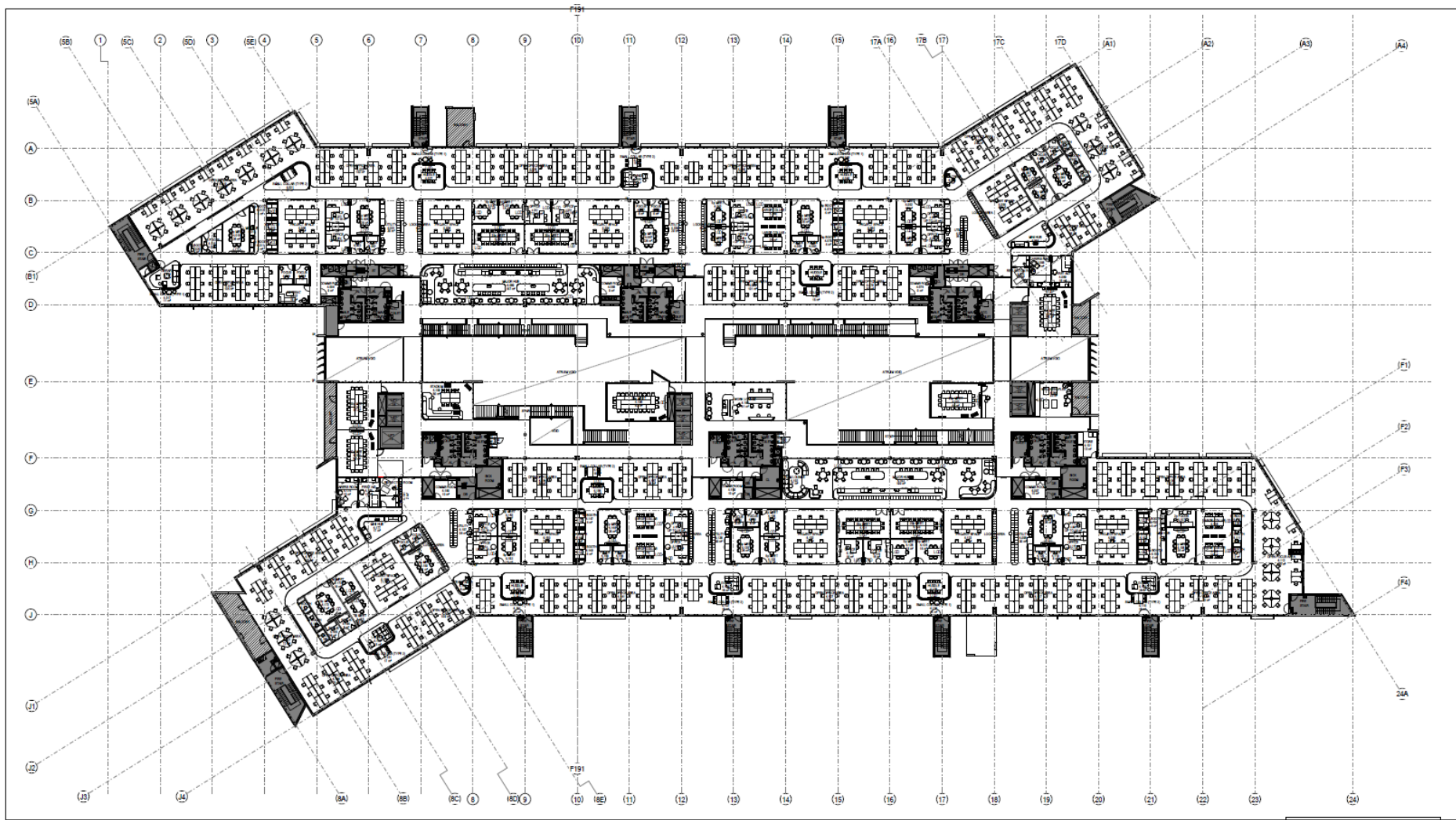
## 8 Annexures

### 8.1 Generic Office Floor Plan – Ground





## 8.2 Generic Office Floor Plan – Typical



### 8.3 Site Location Plan

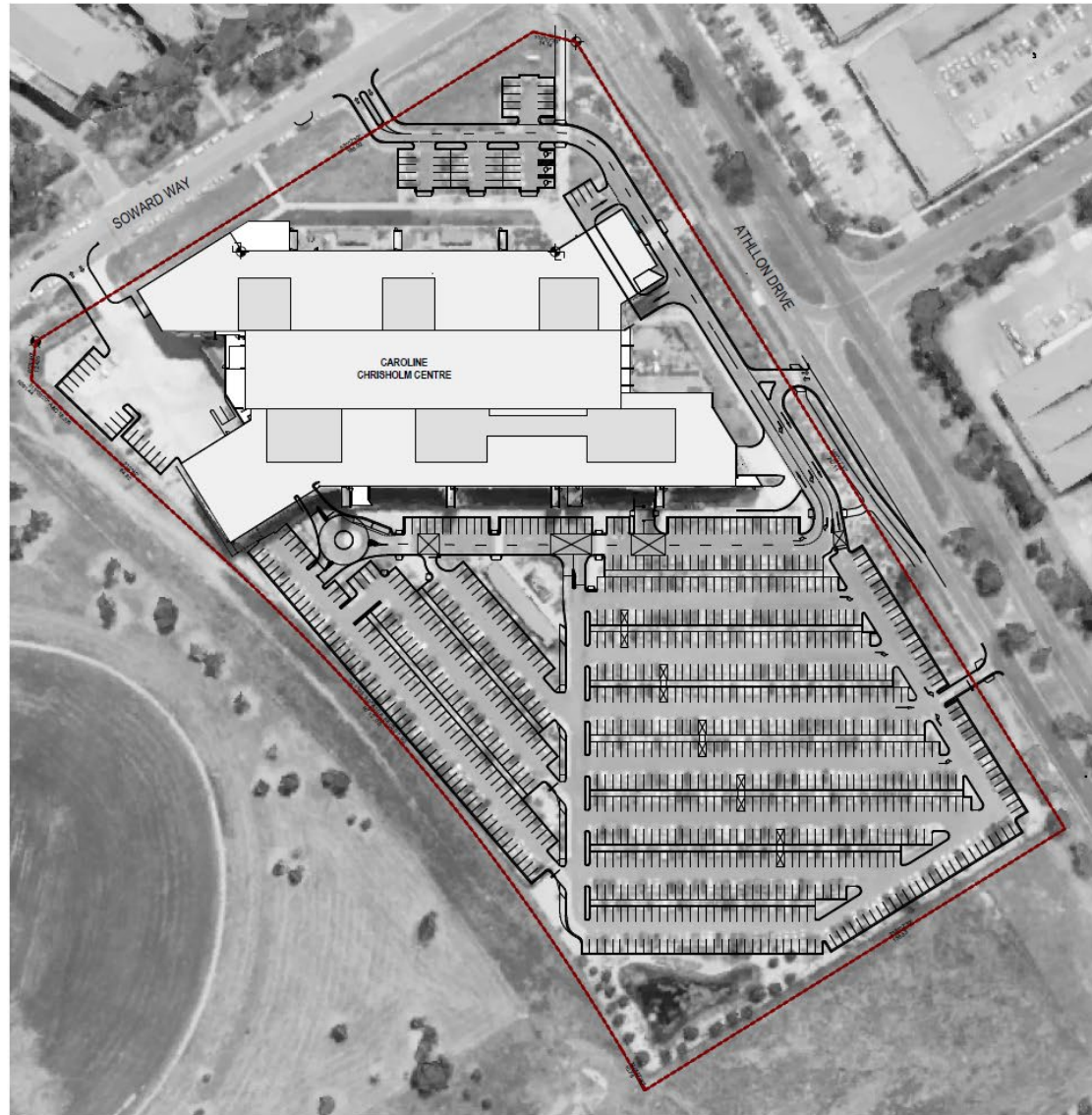


IMAGE SOURCE: GOOGLE MAPS

