

The Proposed Works

Need

- 2.1 The need for the proposed works is driven by AGD's objective of consolidating its Canberra activities into one purpose-built facility in Barton (excluding its Emergency Management Australia accommodation in Bruce and Security Training Centre in Yarralumla), and the operational benefits that will arise from such consolidation.¹
- 2.2 AGD currently occupies three head office locations in Canberra, the Robert Garran Offices (RGO), Arts House and Brisbane Avenue. 750 staff are housed in an office area measuring 19, 244m². At present, AGD lacks sufficient space for its employees and the situation is expected to worsen in the next 3 years as the Department expands. An additional 100 staff will require accommodation by 2007-2008.²
- 2.3 The decision to relocate is timely given that the leases on all three properties expire between May 2006 and February 2007.³
- 2.4 Another factor contributing to the need to relocate is the degenerating condition of the existing premises. The ageing fit-out of the RGO in particular is causing increasing maintenance costs and occupational health and safety concerns.⁴

1 Appendix C, Submission No. 1, paragraph 1.1.4

2 ib id, paragraph 1.2.1 and paragraph 1.3.1

3 ib id, paragraph 1.2.2

4 ib id, paragraph 1.5.1

Scope

- 2.5 AGD intends to lease the new National Circuit building for fifteen years, with two five-year options, and will be undertaking its own fit-out.
- 2.6 Works required to meet AGD's objectives comprise:
- integration of electrical, mechanical, communications, security, fire and hydraulic services into base-building works;
 - fit-out of operational rooms to meet special AGD requirements;
 - general office fit-out, including reception facilities, security-controlled access, open-plan work areas, enclosed offices, breakout spaces, casual meeting space, computer room, storage facilities, conference and training facilities, first-aid room, utilities room, a carer's room, kitchens, showers and lockers, and a child-care centre.⁵

Purpose and Suitability

- 2.7 AGD expects that rationalisation of accommodation will result in a number of operational and administrative efficiencies, specifically:
- cost efficiencies;
 - technological improvements in services;
 - infrastructure efficiencies;
 - opportunity to adapt base-building to AGD's requirements; and
 - efficiencies in work allocation and resources.⁶

Cost

- 2.8 The total estimated cost of the proposed fit-out project is \$23 million.⁷ These costs include:
- professional design and management fees and charges;
 - furniture;
 - fittings and equipment; and
 - allowances for contingencies.⁸

5 Appendix C, Submission No. 1, paragraph 2.2.2

6 ib id, paragraph 1.1.4

7 ib id, paragraph 2.19.1

8 Appendix D, Official Transcript of Evidence, page 3

Value for Money

- 2.9 AGD believes the proposed development to be a cost-effective property solution. The collocation of AGD's Canberra offices at 3-5 National Circuit is expected to result in operational and administrative efficiencies, and also to generate savings in property expenses.
- 2.10 As AGD will be the sole tenant of the 3-5 National Circuit property, there are also operational and financial advantages to be gained from incorporating AGD's specific requirements into the base-building structure.
- 2.11 In addition, AGD is negotiating with the building owners to minimise the risk of paying rent on empty space.⁹
- 2.12 In terms of broader public value, it is expected that some direct employment opportunities will be created by the construction and fit-out of the proposed building. Approximately 80 people will be employed in construction and construction-related activities on any given day and a further 150 people are expected to be employed in fit-out trades. Off-site employment opportunities will be generated in areas such as material supply and support, off-site fabrication, management and administration.
- 2.13 During the construction and fit-out period AGD believes that there is the potential for a positive impact on retail trade in nearby Manuka and Kingston and public transport.¹⁰

9 ib id, paragraph 1.10.2

10 ib id, paragraph 2.18

