



Parliamentary Standing Committee on Public Works

REPORT

relating to the proposed

FIT-OUT OF NEW LEASED PREMISES FOR THE DEPARTMENT OF HEALTH AND AGEING AT THE WODEN TOWN CENTRE

(Sixth Report of 2007)

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
2007

The Parliament of the Commonwealth of Australia

Fit-out of new leased
premises for the
Department of Health and
Ageing at the Woden Town
Centre

Parliamentary Standing Committee on Public Works

August 2007
Canberra

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Membership of the Committee

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Members Mr John Forrest MP

Mr Harry Jenkins MP

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Mr Barry Wakelin MP

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Senator Stephen Parry

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Inquiry Secretary Mr John Fuhrman

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List of abbreviations

ABGR	Australian Building Greenhouse Rating
APT	Australian Public Trustees
BCA	Building Code of Australia
EEGO	Energy Efficiency in Government Operations
EOI	Expression of Interest
Health	Department of Health and Ageing
NCDC	National Capital Development Corporation
NLA	Net Lettable Area
The Act	<i>Public Works Committee Act, 1969</i>



Extract from the Votes and Proceedings of the House of Representatives

No. 164 dated Thursday, 29 March 2007

15 PUBLIC WORKS—PARLIAMENTARY STANDING COMMITTEE—
REFERENCE OF WORK—PROPOSED FIT-OUT OF NEW LEASED PREMISES
FOR THE DEPARTMENT OF HEALTH AND AGEING IN THE SIRIUS
BUILDING, WODEN TOWN CENTRE, ACT

Mr Lindsay (Parliamentary Secretary to the Minister for Defence), pursuant to notice, moved—That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed fit-out of new leased premises for the Department of Health and Ageing in the Sirius Building, Woden Town Centre, ACT.

Question—put and passed.



List of recommendations

3 Issues and Conclusions

Recommendation 1

The Committee recommends that the Department of Health and Ageing provide further details of the water conservation measures proposed as part of the building and fit-out design.

Recommendation 2

The Committee recommends that the Department of Health and Ageing continue close consultation with all relevant stakeholders.

Recommendation 3

The Committee recommends that the Department of Health and Ageing report to it on the outcome of the detailed staff consultations regarding the proposed fit-out.

Recommendation 4

The Committee recommends that the Department of Health and Ageing inform the Committee of the final arrangements for the proposed childcare facility.

Recommendation 5

The Committee recommends that the Department of Health and Ageing inform the Committee of the car parking arrangements, once finalised, for the proposed building.

Recommendation 6

The Committee recommends that the proposed fit-out of new leased premises for the Department of Health and Ageing in the Sirius Building, Woden Town Centre, Australian Capital Territory, proceed at the estimated cost of \$67 million.

Introduction

Referral of Work

- 1.1 On 29 March 2007 the proposal for fit-out of new leased premises for the Department of Health and Ageing at the Woden Town Centre, ACT, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act)¹. The proponent agency for this work is the Department of Health and Ageing (Health).
- 1.2 The Hon Peter Lindsay MP, Parliamentary Secretary to the Minister for Defence, advised the House that the estimated total capital cost of the fit-out was \$67 million, with the fit-out construction to be integrated with the base building.² Subject to parliamentary approval, work is proposed to commence in October this year with practical completion of the new building scheduled for early 2010. As a result, Health expects to occupy the building in early 2010.³

1 Extract from the *Votes and Proceedings of the House of Representatives*, No. 164, 29 March 2007.

2 Appendix C, Submission No. 1, paragraph 2.16.2.

3 *ibid.*, paragraph 2.19.1.

Background

Department of Health and Ageing

- 1.3 The Department of Health and Ageing states that its vision is “Better healthy and active ageing for all Australians” through a world class system which:
- focuses the health and aged care system more on healthy lifestyles;
 - improves the transparency, accessibility, accountability and quality of public and private health and aged care service provision;
 - consolidates and progresses reforms to ensure choice of, and access to, quality aged care services;
 - works towards better health for Aboriginal and Torres Strait Islander peoples;
 - utilises public sector involvement to improve choice for consumers;
 - leads a whole-of-government approach to bolster Australia’s responses to disease threats, national emergencies and other large scale health emergencies; and
 - collaborates with States and Territories to deliver efficient, value-for-money health and aged care services.⁴
- 1.4 Health’s central office has traditionally occupied space in the Woden Town Centre since the concept was developed by the then National Capital Development Corporation (NCDC) in Canberra’s early planning stages. As the department expanded, and the need for additional office space grew, it took up space in a number of buildings both in Woden and the ACT more broadly.⁵
- 1.5 Health’s mid-term accommodation strategy focussed on relinquishing a number of peripheral leases and consolidating its property portfolio into a smaller number of large leases in the Woden precinct. The relinquished leases were located in Barton and Civic, as well as some small leaseholdings in Woden. Through the lease consolidation and the occupation

4 *ibid.*, paragraph 1.1.1.

5 *ibid.*, paragraph 1.2.1.

of Scarborough House in 2005,⁶ Health reduced the number of office accommodation lease-holdings in from fifteen to seven sites in the ACT.⁷

Site Location

- 1.6 The proposed new building will be located adjacent to Scarborough House, on the corner of Furzer and Worgan Streets in Woden Town Centre.⁸

Inquiry Process

- 1.7 The Committee is required by the Act to consider public works over \$15 million⁹ and report to Parliament on:
- the purpose of the work and its suitability for that purpose;
 - the need for, or the advisability of, carrying out the work;
 - whether the money to be expended on the work is being spent in the most cost effective manner;
 - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
 - the present and prospective public value of the work.¹⁰
- 1.8 The Committee called for submissions by advertising the inquiry in the *Canberra Times* on Saturday, 7 April 2007. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

6 Joint Standing Committee report into the *Proposed Fitout of New Leased Premises for the Department of Health and Ageing at Scarborough House, Woden Town Centre, ACT*, second report of 2004.

7 Appendix C, paragraph 1.2.2.

8 *ibid.*, paragraph 2.1.1.

9 *Public Works Committee Act 1969*, Part III, Section 18 (8).

10 *ibid.*, Section 17.

Inspection and Hearing

- 1.9 On Friday 15 June 2007, the Committee inspected the site and environs of the proposed works. A confidential briefing from officers of the Department of Health and Ageing and a public hearing were held at Parliament House, Canberra, later that day.¹¹

¹¹ See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 15 June 2007 at Parliament House, Canberra.

The Proposed Works

Purpose

- 2.1 Health's long-term accommodation strategy is to consolidate central office functions into two sites in the Woden Town Centre thus enhancing operational efficiencies.¹
- 2.2 The first stage of the central office accommodation project, and subject of the PWC's second report of 2004 *Fit-out of New Leased Premises for the Department of Health and Ageing at Scarborough House, Woden Town Centre, ACT*, was completed in 2005 and involved the fit-out and long-term lease of Scarborough House and the collocation of most other central office personnel to the Woden precinct.²
- 2.3 Stage 2 of the project involves the acquisition of suitable long term accommodation for the remainder of the central office, thus addressing deficiencies in the non-Scarborough House leases. Health would prefer to locate all central office personnel within the Woden precinct.³

1 Appendix C, Submission No. 1, paragraph 1.1.5.

2 *ibid.*, paragraph 1.1.4.

3 *ibid.*, paragraph 1.1.5.

Need

- 2.4 Health states in its submission that the need for the proposed new central office accommodation is driven by a number of major current leases expiring in mid-2009, without further renewal options. According to Health, the current office accommodation is of poor quality (generally C grade); does not meet the Government's 4.5 star Australian Building Greenhouse Rating (ABGR) requirements; has high maintenance costs; and cannot cater for future departmental growth.⁴

Options Considered

- 2.5 The options that Health considered were as follows:
- short-term leases on the current Woden accommodation;
 - long-term leases on refurbished current Woden accommodation;
 - a long term lease on an existing building (or buildings) elsewhere in the ACT; and
 - a long-term lease on a new building in Woden.⁵
- 2.6 The first three options were dismissed due to issues such as cost, value-for-money and location disadvantages.⁶
- 2.7 Health's preferred option of a new building in the Woden precinct, in the vicinity of Scarborough House, will meet stated accommodation objectives and provide the best value for money, long-term accommodation solution. Other benefits include:
- deliver purpose-built, functional, flexible and good quality A-grade office accommodation for Health personnel;
 - meet currently predicted future space requirements to enable the collocation of all central office personnel in two leases (including Scarborough House) so as to maintain and further enhance the operational efficiencies achieved through stage 1 of the project;
 - meet the Australian Energy Efficiency in Government Operations (EEGO) policy requirements;

4 *ibid.*, paragraphs 1.1.3 and 1.31.

5 *ibid.*, paragraph 1.4.1.

6 *ibid.*, paragraphs 1.4.2 – 1.4.6.

- further reduce operating and maintenance costs for central office accommodation; and
- deliver improved security and staff amenities.⁷

Scope

- 2.8 Health is seeking to secure a single 15-year lease for 44,500 square metres of new office space, in addition to Scarborough House, to accommodate approximately 3,100 personnel from 2009-10.⁸
- 2.9 The proposed new building will comprise:
- Property Council of Australia A-grade quality office accommodation of approximately 44,500 square metres Net Lettable Area (NLA), plus 800 square metres of associated facilities, including storage and mail rooms;
 - a generalised “L” shaped building with two contiguous 10 storey office towers – North Building 24,000 square metres NLA and the South Building 20,500 square metres NLA;
 - energy efficiency ratings of 4.5 star ABGR and 5 Green Star;
 - disabled access and facilities;
 - men’s and women’s change facilities, each with 15 showers and 100 lockers;
 - a minimum of 350 car-parking spaces including; four disabled car parking spaces, 20 motorcycle bays, and 120 bicycle parking spaces, located on two basement levels;
 - a dedicated loading dock with an additional 10 parking spaces; and
 - additional space for a childcare facility to service 100 placements.⁹
- 2.10 The fit-out is to be contemporary A-grade quality and of an economical, flexible design that will minimise the impact and cost of meeting future organisational change.¹⁰

7 *ibid.*, paragraph 1.5.1.

8 *ibid.*, paragraph 1.1.6.

9 *ibid.*, paragraph 1.6.4.

10 *ibid.*, paragraph 1.1.7.

- 2.11 The proposed works will include:
- architecturally designed office fit-out to meet Health's specified requirements, including the construction of a reception and security desk at ground floor level, general office areas, meeting rooms, utilities and storerooms, tearooms, first aid rooms, and carer's rooms; and
 - where possible, the integration of service requirements into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services.¹¹
- 2.12 In addition to office space, Health also proposes to lease space in the new building for a childcare facility.¹²

Project Delivery

- 2.13 Fit-out construction will be integrated with base-building construction and will be managed by the developer for a fit-out management fee. Representatives of Health will be involved in the fit-out construction sub-contractor tender process to ensure value for money is achieved. The developer will manage the integrated fit-out with the building contractor to deliver the building and fit-out for Health occupation by early 2010.
- 2.14 Pending parliamentary approval, works are proposed to commence in October 2007 with the demolition of existing buildings and practical completion of the new building scheduled for early 2010.¹³

Cost

- 2.15 The fit-out construction cost of \$67 million has been estimated for 44,500 square metres based on a 2006/07 cost of \$1,300 per square metre, escalated at 5% per annum to \$1,505 per square metre in 2009/10.¹⁴
- 2.16 Health submitted that it intends to utilise any lease incentive against the \$67 million fit-out cost as this will deliver better value-for-money than the alternative rental offset.¹⁵

11 *ibid.*, paragraph 1.6.10.

12 *ibid.*, paragraph 1.10.1.

13 *ibid.*, paragraph 2.18.2 and 2.19.1.

14 *ibid.*, paragraph 2.16.2.

15 *ibid.*, paragraph 2.17.1.

Issues and Conclusions

Amendment to the Statement of Evidence

Air-bridges

- 3.1 Attachment C (2) of Health’s statement of evidence displays two “optional bridge links” connecting the proposed building to Scarborough House.¹ Reference to an air-bridge is also mentioned at paragraph 1.6.7 indicating that the air-bridges “might be incorporated in to building design to increase departmental connectivity”.²
- 3.2 At the beginning of the public hearing, Health sought to confirm the issue of the optional air-bridges stating that,
- ...there will now be no air-bridges between Scarborough House and any proposed development.³

1 Appendix C, Submission No. 1, Attachment C (2).

2 *ibid.*, paragraph 1.6.7.

3 Appendix D, Official Transcript of Evidence, page 2.

Cafeteria

- 3.3 Included in Attachment C (1) of Health's main submission is space allocated for an "optional café".⁴ As there was no further information regarding the café included in the statement of evidence, Health clarified that,

...there would be a café facility owned and operated by the property owner for the benefit of staff.⁵

Project Certainty

- 3.4 In its main submission Health states that it has proposed an integrated fit-out solution in an effort to deliver construction efficiencies, and reduce cost and risk via a tender for new office accommodation with a 15 year lease and a five year renewal option from 2009.⁶

- 3.5 During the public hearing Health stated in its opening statement, with regard to the integrated fit-out with base building construction that,

The status of the tender negotiations also means that the fit-out design is only in a very preliminary phase.⁷

- 3.6 The issues of project and cost certainty were also discussed during public and in-camera proceedings, and the Committee commented that it would require more details of project arrangements before making any recommendation to Parliament for approval for expenditure.⁸

- 3.7 Subsequent to the hearing, Health wrote informing the Committee that it was in a position to confirm that the fit-out costs as provided to the inquiry were accurate. Furthermore, there was no material change to the design of the proposed new building as submitted to the Committee apart from the removal of the proposed air-bridges, and redesign of the landscaped areas to minimise water usage.⁹

4 Appendix C, Attachment C(1).

5 Appendix D, page 2.

6 Appendix C, paragraph 1.6.2.

7 Appendix D, page 3.

8 *ibid.*

9 Letter to Committee from Assistant Secretary, Corporate Support Branch, Department of Health and Ageing, 6 July 2007.

Project Delivery

Tender Process

- 3.8 Health stated in its main submission that fit-out construction will be integrated with base-building construction and will be managed by the developer for a fit-out management fee. Officials of the department will be involved in the fit-out construction subcontractor tender process to ensure value for money is achieved.¹⁰ The Committee sought further detail regarding the tender process, and whether a preferred tenderer had been selected.
- 3.9 The Committee discussed in detail the tender process in the confidential hearing. During the public hearing Health explained that the tender process commenced with an open expression of interest (EOI) to market seeking new accommodation in the Woden area. All submissions to the EOI were considered and identified to go into a select tender process which was conducted as per Commonwealth procurement guidelines. Through the evaluation process, a preferred tenderer was selected and Health is currently in the negotiation phase with that preferred tenderer.¹¹
- 3.10 At the Committee's request, subsequent to the hearing Health submitted an update on the tender process and negotiations with the preferred tenderer.

Options Considered

- 3.11 The four future accommodation options considered by Health were:
- short-term leases on the current Woden accommodation;
 - long-term leases on refurbished current Woden accommodation;
 - a long-term lease on an existing building (or buildings) elsewhere in the ACT; and
 - a long-term lease on a new building in Woden.¹²

Health's preferred option on a new building in the Woden precinct, in the vicinity of Scarborough House, will meet stated accommodation objectives

¹⁰ Appendix C, paragraph 2.18.2.

¹¹ Appendix D, page 4.

¹² Appendix C, paragraph 1.4.1.

and provide the best value for money, long-term accommodation solution.¹³

- 3.12 The Committee stated on the public record that the cost details of the various options were discussed during in-camera proceedings and that the differences in costs were significant. Health confirmed this evidence at the public hearing and continued that it was assessed that the upgrade of Health's current accommodation to a 4.5 Australia Building Greenhouse Rating (ABGR) incurred a level of cost and funding that was beyond that which the Department would receive for constructing a new building.¹⁴

Office Configuration

- 3.13 In its main submission Health explained that the scope of integrated fit-out included:

- allocated office space for SES and EL2 officers;
- open plan office accommodation for EL1 and APS level officers;
- modular office design and demountable partitions;
- standard workstations and personal storage units.¹⁵

The Committee requested further detail about the specific workstation area allocation and the comparison with current office configuration.

- 3.14 Health informed the Committee that the proposed office configuration is based on the Scarborough House layout, thereby maintaining continuity between the Health building fit-outs. Open office area workstations would be allocated approximately 7 square metres per workstation. Senior executive officers will be allocated office spaces.¹⁶

13 *ibid.*, paragraph 1.5.1.

14 Appendix D, page 4.

15 Appendix C, paragraph 2.2.1.

16 Appendix D, page 9.

Environmental Considerations

Water Conservation

3.15 Water conservation is an issue that has repeatedly been raised in recent Inquiries and been the source of much discussion and consideration by proponent agencies and the Committee alike. As such, the Committee requested further information regarding the water saving initiatives that Health have incorporated into building and fit-out design.

3.16 Health's consultant responded that,

The base building brief, which was tendered to the proponent, has a requirement for 4.5 star ABGR and Green Star. However, the local authorities have a requirement that, to successfully obtain development approval, the developer has to build retention and detention tanks. The detention tank will be used for flushing toilets.¹⁷

Health is yet to determine whether other water conservation initiatives, such as waterless urinals and timers on the showers, will be included into building design.

Recommendation 1

The Committee recommends that the Department of Health and Ageing provide further details of the water conservation measures proposed as part of the building and fit-out design.

Consultation

3.17 A 'Communication Strategy' was developed by Health for internal and external formal and informal consultation which included:

- briefings for the Executive and work area managers;
- work area involvement in the development of specific requirements;
- staff consultation and information sessions;

17 Appendix D, page 6.

- staff representative consultation and information sessions; and
 - an intranet site to provide information and for staff questions and feedback.¹⁸
- 3.18 Health's main submission includes a list of external stakeholders and a list of members of Federal Parliament and the ACT Legislative Assembly with whom Health has consulted.¹⁹

Australian Public Trustees

- 3.19 Australian Public Trustees (APT) is trustee of the Government Property Trust, which owns Penrhyn House. Penrhyn House is one of the five Woden leases currently held by Health, and is adjacent to the proposed new building.
- 3.20 APT made a submission to the inquiry stating that a number of factual errors were contained in Health's main submission.²⁰ Health responded to these claims in its supplementary submission, specifically addressing two of the seven issues raised by APT.²¹ The Committee sought further information on how Health had addressed the issues and raised by APT and any consultative process that has been undertaken.
- 3.21 At the public hearing, Health explained that APT did seek to tender for the proposed project, however submitted its tender late. Subsequent to the hearing Health provided a copy of the list of organisations invited to tender, and the letter inviting for tenders containing details such as project scope and specification, and closing time and date for submission.²²
- 3.22 Health continued that, at the time of the hearing, it was still in negotiation with tenderers, and that once the preferred tenderer had been selected Health would debrief APT, and other tenderers, on the tender process. Health assured the Committee that any outstanding issues would be discussed during the debrief with APT. The Committee requested that Health report back to the Committee once the meeting with APT had taken place.²³

18 Appendix C, paragraph 1.9.2.

19 *ibid.*, paragraph 1.9.3 and Attachment E.

20 See *Volume of Submissions*, Submission No. 2, Australian Public Trustees.

21 See *Volume of Submissions*, Submission No. 5, Department of Health and Ageing (supplementary submission).

22 Letter to Committee from Assistant Secretary, Corporate Support Branch, Department of Health and Ageing, 6 July 2007.

23 Appendix D, page 11.

- 3.23 Subsequent to the hearing, Health informed the Committee that it had met with APT and that all outstanding issues had been addressed to the satisfaction of both parties.²⁴

Recommendation 2

The Committee recommends that the Department of Health and Ageing continue close consultation with all relevant stakeholders.

Staff Consultation

- 3.24 The Committee enquired as to the level of staff consultation that Health had undertaken to date. Health responded that,

Staff are aware of the concept of stage 2 of the central office accommodation plan, through a number of communications both locally within the various buildings and through a couple of messages the Secretary has put out to staff. From a function design point of view, detailed staff consultations regarding fit-out requirements and local business needs are due to be undertaken in the next couple of weeks.²⁵

Recommendation 3

The Committee recommends that the Department of Health and Ageing report to it on the outcome of the detailed staff consultations regarding the proposed fit-out.

Fire Authorities

- 3.25 Health's main submission stated that the base building brief incorporated a number of fire protection initiatives.²⁶ The Committee sought clarification whether there had been any consultation with the local fire authorities with regard to the proposed project.
- 3.26 Health responded that the local fire department had been notified of a development approval and building application, and were provided the

24 Letter from Chief Operating Officer, Department of Health and Ageing, 11 July 2007.

25 Appendix D, page 9.

26 Appendix C, paragraph 2.12.1.

opportunity to scrutinise building plans. The fire department may provide advice as to whether the proposed building plans are in accordance with BCA and associated fire protection requirements.

3.27 At the time of the hearing, Health understood that base building plans were progressing through this process. Health added that,

...we [Health] have only thought of block planning and numbers, we do not have a plan as yet how we are going to plan them. Once we get to the provisional sketch plan stage, our consultants will have a fire consultant on board, who will consult with the fire brigade to ensure the safety of the staff.²⁷

Staff Amenities

Childcare Facility

3.28 In its main submission Health proposed to lease space in the new building for a childcare facility which would provide 100 places. It is envisaged that an independent childcare service provider would sublet the space and fund a purpose-designed fit-out. The childcare facility would be a cost neutral arrangement, having no capital or operating expenditure implications for the Department.²⁸ The Committee asked for further information on the current and proposed childcare provisions and the associated arrangements.

3.29 Currently each Health staff member must make individual childcare arrangements, therefore Health views the inclusion of a childcare facility as a benefit to some individuals and families within Health. Whilst a formal survey has not been conducted, Health proposed that the provision of childcare would be brought to staff members' attention in due course.²⁹ Health informed the Committee that an EOI had not yet been sought.

3.30 Health continued that the proposed arrangement for childcare would be between the staff member and the childcare operator, without any involvement from the Department. Health stated that whilst other federal departments in the area have indicated interest in the childcare facility, Health personnel would receive preference of access.³⁰

27 Appendix D, page 12.

28 Appendix C, paragraph 1.10.1.

29 Appendix D, page 7.

30 *ibid.*, page 8.

Recommendation 4

The Committee recommends that the Department of Health and Ageing inform the Committee of the final arrangements for the proposed childcare facility.

Car Parking Bays

- 3.31 In its main submission Health states that the proposed new building will include a minimum of 350 car-parking spaces, including four disabled car-parking spaces, 20 motorcycle bays, and 120 bicycle parking spaces, located on two basement levels.³¹ The Committee enquired as to how the proposed car parking arrangements differ from current arrangements.
- 3.32 During the public hearing Health informed the Committee that the proposal incorporated approximately 370 car parking spaces and 20 motorcycle bays, which represents more than the Department requires by way of entitlements for staff. However, at the time of the hearing, Health had not yet determined how excess car parking bays would be allocated.³²

Recommendation 5

The Committee recommends that the Department of Health and Ageing inform the Committee of the car parking arrangements, once finalised, for the proposed building.

Bicycle Parking

- 3.33 Included in the parking design of the proposed building is to incorporate 120 bicycle parking spaces.³³ The Committee enquired as to how Health determined the level of bicycle accommodation, and associated facilities, to be provided.
- 3.34 Health responded that it considers itself a department that encourages a healthy lifestyle, part of which may include riding a bicycle to work. Furthermore, the base building is designed to 5-star Green Star level, in addition to the 4.5 star ABGR. Part of achieving a 5-star Green Star rating

31 Appendix C, paragraph 1.6.4.

32 Appendix D, page 5.

33 Appendix C, paragraph 1.6.4.

is the provision of an appropriate level of bicycle parking spaces. Whilst the design is still at a schematic stage, Health's consultant will be undertaking staff consultation to further gauge the level of bicycle usage.³⁴

Future Growth

- 3.35 Health indicated in its main submission that part of the reason for adopting the proposed course of action was to meet predicted future space requirements to enable the collocation of all central office personnel into two leases, including Scarborough House, so as to maintain and further enhance the operational efficiencies achieved via stage 1 (Scarborough House) of the project.³⁵ The Committee sought further information regarding current and predicted future staff numbers, and how Health proposed to address changes in staffing levels.
- 3.36 Health responded that according to its 2005-06 Annual Report, the number of staff is approximately 3,050. Due to a number of budget measures for aged care, Health estimates that it currently has between 3,200 and 3,300 personnel.
- 3.37 Health has estimated that it will have about 4,000 work points which includes those at Scarborough House, and that there will be an estimated increase in the number of work points that will be available in the new building.³⁶

Recommendation 6

The Committee recommends that the proposed fit-out of new leased premises for the Department of Health and Ageing in the Sirius Building, Woden Town Centre, Australian Capital Territory, proceed at the estimated cost of \$67 million.

34 Appendix D, page 6.

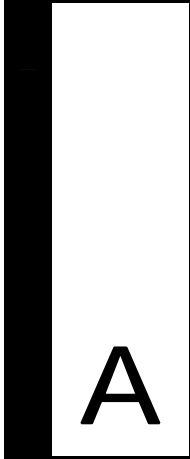
35 Appendix C, paragraph 1.5.1.

36 Appendix D, page 5.

Hon Judi Moylan MP

Chair

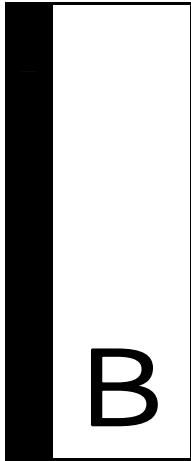
9 August 2007



Appendix A – List of Submissions and Exhibits

Submissions

1. Department of Health and Ageing
2. Australian Public Trustees
3. Dr Deb Foskey MLA
4. Department of the Environment and Heritage – Australian Greenhouse Office
5. Department of Health and Ageing – (Supplementary submission)
6. Department of Health and Ageing – (Supplementary submission)
7. Department of Health and Ageing – (Supplementary submission)



Appendix B – List of Witnesses

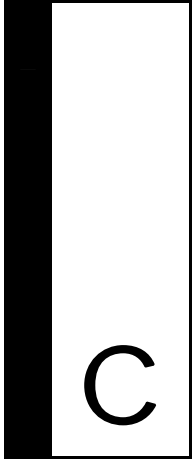
Mr Harry Haralambous, Consultant, Technical and Commercial Adviser ,
Department of Health and Ageing.

Mr Dean Herpen, Assistant Secretary, Corporate Support Branch, Business
Group, Department of Health and Ageing.

Ms Margaret Lyons, Chief Operating Officer, Department of Health and
Ageing.

Mr Stephen Sheehan, Chief Finance Officer, Finance Branch, Business Group,
Department of Health and Ageing.

Mr Neil Storey, Director, Central Office Accommodation, Corporate Support
Branch, Business Group, Department of Health and Ageing.



Appendix C – Submission No. 1 from the
Department of Health and Ageing



Australian Government
Department of Health and Ageing

Proposed Fitout of New Leased Premises
for the
Department of Health and Ageing
at the
Woden Town Centre

Statement of Evidence
to the
Parliamentary Joint Standing Committee on Public Works

March 2007

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ATTACHMENTS

- A – Current Health buildings
- B – Site plan and existing buildings
- C – New building floor plans
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- F – Landscape master plan
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1. IDENTIFICATION OF THE NEED

1.1 Objectives

- 1.1.1 The vision of the Department of Health and Ageing (Health) is “Better health and active ageing for all Australians” through a world class system which:
- focuses the health and aged care system more on healthy lifestyles;
 - improves the transparency, accessibility, accountability and quality of public and private health and aged care service provision;
 - consolidates and progresses reforms to ensure choice of, and access to, quality aged care services;
 - works towards improved health for Aboriginal and Torres Strait Islander peoples;
 - improves choice for consumers through strong private sector involvement;
 - leads a whole-of-government approach to strengthening Australia’s readiness for disease threats, national emergencies and other large scale health incidents; and
 - works together with the States and Territories to deliver efficient, value-for-money health and aged care services.
- 1.1.2 To effectively deliver a ‘world class system’, Health requires a standard of accommodation that is safe and secure, supports a high level of operational efficiency, motivates staff and maximises productivity.
- 1.1.3 The need for the proposed new central office accommodation is driven by a number of major current leases expiring in mid 2009, without further renewal options, and the poor standard of the accommodation, both in terms of general quality and the high maintenance costs associated with the older buildings.
- 1.1.4 Stage 1 of the central office accommodation project was completed in 2005 and involved the fitout and long-term lease of Scarborough House and the collocation of most other central office personnel into the Woden precinct.
- 1.1.5 Health’s long-term accommodation strategy is to consolidate central office functions into two sites in the Woden Town Centre thereby enhancing operational efficiencies. Therefore, Stage 2 of the project involves overcoming the accommodation deficiencies in the non-Scarborough House leases by the acquisition of suitable and sustainable long-term accommodation for the remainder of central office. Given the commitment to Scarborough House and

the resources already applied to collocate all central office personnel in the Woden precinct, Health's strongly preferred option is to continue to accommodate all central office personnel within the Woden precinct.

- 1.1.6 As a result, and taking into account the estimated future growth of the department and available accommodation options at this time, Health is seeking to secure a single 15-year lease for 44,500 m² of new office space, in addition to Scarborough House, to accommodate approximately 3,100 personnel from 2009-10.
- 1.1.7 The fitout is to be contemporary A-grade quality and of an economical, flexible design that will minimise the impact and cost of meeting future organisational change.

1.2 Historical Background

- 1.2.1 Health's central office has traditionally occupied space in the Woden Town Centre since the concept was developed by the then National Capital Development Corporation (NCDC) in Canberra's early planning stages. As the department expanded and the need for additional office space grew, it was necessary to take up space in a number of buildings both in Woden and the ACT more broadly. As a result, departmental operations had become fragmented across many areas of Canberra by 2003.
- 1.2.2 The department's mid-term accommodation strategy focussed on relinquishing a number of peripheral leases and consolidating Health's property portfolio into a smaller number of large leases in the Woden precinct. The relinquished leases were located in Barton and Civic, as well as some small lease-holdings in Woden.
- 1.2.3 Through the lease consolidation and the occupation of Scarborough House in 2005, Health reduced the number of office accommodation lease-holdings from 15 to 7 sites in the ACT. In addition to Scarborough House, the major buildings are the Albemarle and Alexander Buildings, Fishburn House, Borrowdale House and Penrhyn House in the Woden precinct; and Canberra House in Civic. The major Woden buildings, and their locations, are shown in Attachment A.

1.3 Need

- 1.3.1 Excluding Scarborough House, Health leases total approximately 39,650 m². The major Woden leases are due to expire in mid 2009 with no further renewal

options. This office accommodation is of poor quality (generally C grade), does not meet the Government's 4.5 star Australian Building Greenhouse Rating (ABGR) requirements and cannot cater for future departmental growth.

1.4 Stage 2 Options Considered

- 1.4.1 The four future accommodation options considered by Health are:
- short-term leases on the current Woden accommodation;
 - long-term leases on refurbished current Woden accommodation;
 - a long-term lease on an existing building (or buildings) elsewhere in the ACT; and
 - a long-term lease on a new building in Woden.
- 1.4.2 New short-term leases on the current accommodation would only be practically possible for a maximum of 3-years, given that the Australian Government's Energy Efficiency in Government Operations (EEGO) policy requires 4.5 star ABGR compliance and assuming dispensation from the 2-year policy to achieve best possible rental rates. However, a new 3-year lease would only buy time for the department to procure other long-term accommodation and, given the current market, short-term rental rates are likely to be set at a premium and are unlikely to represent the best value for money.
- 1.4.3 New leases for refurbished current Woden buildings would meet Health's accommodation quality and performance requirements but at a higher cost than a new building solution. In addition, there would be significant disruption to departmental operations during any refurbishment activity and additional expansion space would still be required.
- 1.4.4 Leasing an existing building elsewhere in the ACT would be similar in cost to the refurbished option but, given the long term lease on Scarborough House, an accommodation solution outside of Woden would result in the fragmentation of the department and be contrary to the objectives of Health's broader accommodation strategy. Such a solution would negatively impact operational efficiencies and result in significant relocation costs and reduced staff productivity/well-being.
- 1.4.5 The option of leasing a new building elsewhere in the ACT has not been considered as it would be similar in cost to a new building in Woden but have the same disadvantages as leasing an existing building elsewhere in the ACT.

1.4.6 A new building in the Woden precinct is Health's preferred option.

1.5 Reasons for Adopting Proposed Course of Action

1.5.1 Health's preferred option of a new Woden building, located in the vicinity of Scarborough House, will meet the stated accommodation objectives and provide the best value for money, long-term accommodation solution. It will:

- deliver purpose-built, functional, flexible and good quality A-grade office accommodation for Health personnel;
- meet currently predicted future space requirements to enable the collocation of all central office personnel in two leases, including Scarborough House, so as to maintain and further enhance the operational efficiencies achieved via Stage 1 of the project;
- meet the Australian Government's EEGO policy requirements;
- further reduce operating and maintenance costs for central office accommodation; and
- deliver improved security and staff amenities.

1.5.2 Cost models indicate that the Net Present Value (NPV) of lease expenditures for the three practical options (refurbished current; other existing; new) were similar over 15-years. However, the new building option offers the best value for money, would cause the least disruption to ongoing departmental operations, have the least relocation cost, and improve productivity and operational efficiencies.

1.6 Description of Proposal

1.6.1 The proposal is for the integrated fitout of a proposed new building to be located on the south-eastern corner of Furzer and Worgan Streets, Woden ACT, currently occupied by the Sirius Building and Fishburn House. A site plan is included at Attachment B.

1.6.2 Health sought an integrated fitout solution, in an effort to deliver construction efficiencies and thereby reduce cost and risk, via a tender for new office accommodation with a 15-year lease and a 5-year renewal option from 2009.

1.6.3 The Sirius Building is currently occupied by IP Australia. Their personnel are scheduled to relocate to new Woden premises in October 2007 (an expanded Discovery House), leaving the Sirius building vacant. Fishburn House is currently occupied by Health.

-
- 1.6.4 The proposed new building will comprise:
- Property Council of Australia “A-Grade” quality office accommodation of approximately 44,500m² NLA, plus 800m² of associated facilities, including storage and mail rooms;
 - a generalised “L” shaped building with two contiguous 10 storey office towers - North Building 24,000m² NLA, and South Building 20,500m² NLA;
 - energy efficiency ratings of 4.5 star ABGR and 5 Green Star;
 - disabled access and facilities;
 - mens/womens change facilities, each with 15 showers and 100 lockers;
 - a minimum of 350 car-parking spaces, including four disabled car-parking spaces, 20 motorcycle bays, and 120 bicycle parking spaces, located on two basement levels;
 - a dedicated loading dock with an additional 10 parking spaces; and
 - additional space for a childcare facility to service 100 placements.
- 1.6.5 The main building entry is to be off Worgan Street, with the central foyer providing access through to Scarborough House, resulting in a prominent street level entry for the department.
- 1.6.6 The proposed building will not have public access. Floor plans and building perspectives/elevations are included in Attachment C and Attachment D respectively.
- 1.6.7 The generalised “L” shaped building, centred on Scarborough House, creates a Health office precinct with opportunities for future expansion towards the Woden Town Centre. Air-bridge links to Scarborough House might also be incorporated into the building design to increase departmental workplace connectivity.
- 1.6.8 Office accommodation is to be provided by large rectangular floor plates, offering approximately 4,500m² of accommodation per floor (between 2,000 m² and 2,500 m² per wing).
- 1.6.9 The proposed office floors are modular and column free, except for some columns located at the centre zone office partition locations. Floor plates larger than 2,000 m², with large column spacings, are generally considered by designers as more efficient for an organisation the size and structure of Health. The proposed design will therefore provide greater fitout flexibility, particularly

where fitout redesign is required to maximise the collocation of divisional personnel in the future.

1.6.10 The proposed works include:

- architecturally designed office fitout to meet Health's specified requirements, including the construction of a reception and security desk at ground floor level, general office areas, meeting rooms, utilities & storerooms, tearooms, first aid rooms, and carer's rooms; and
- where possible, the integration of service requirements into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services. Data installation will be compatible with Scarborough House and designed to criteria to be specified by Health's Technology Group.

1.6.11 The childcare facility will be constructed as a shell for fitout and operation by a third party facility operator.

1.6.12 The total estimated capital cost of the fitout works is \$67 million (excluding GST) at \$1,505/m² and occupation is planned for early 2010.

1.7 Environmental Assessment

1.7.1 Health is committed to delivering healthy and sustainable accommodation to support its corporate vision. A new building also provides the opportunity to implement sound environmental and energy-efficient design.

1.7.2 The developer will complete an Environmental Impact Assessment (EIA) as part of the development approval process.

1.7.3 The base building and fitout will be designed to meet the 4.5 star Australian Building Greenhouse Rating (ABGR) requirements and comply with the Australian Government's Energy Efficiency in Government Operations (EEGO) policy.

1.8 Heritage Considerations

1.8.1 There are no known heritage considerations that would affect the replacement of the existing Sirius Building and Fishburn House with the proposed new building.

1.9 Details of Consultation

1.9.1 Health has developed a Communication Strategy for internal and external consultation and information sharing.

1.9.2 The internal consultative framework includes both formal and informal communication and consultation with departmental management, staff and staff

representatives, including the Community and Public Sector Union (“CPSU”).

The Communication Strategy includes:

- (a) briefings for the Executive and work area managers;
- (b) work area involvement in the development of specific requirements;
- (c) staff consultation and information sessions;
- (d) staff representative consultation and information sessions; and
- (e) an intranet site to provide information and for staff questions and feedback.

1.9.3 External stakeholders include:

- Department of Finance and Administration;
- Australian Greenhouse Office;
- Department of Employment and Workplace Relations;
- Office of the Federal Safety Commissioner;
- Department of Environment and Heritage; and
- ACT Planning and Land Authority.

1.9.4 Health has consulted with the Australian Greenhouse Office (AGO) in relation to EEGO requirements.

1.9.5 Health has also written to the appropriate Members of Parliament and Members of the ACT Legislative Assembly advising them of this proposal. Names and addresses are included at Attachment E.

1.10 Amount of Revenue, if any, derived from the project

1.10.1 In addition to the 44,500 m² of office space, Health proposes to lease space in the new building for a childcare facility. An independent childcare service provider would then sublet the space and fund purpose-designed fitout. It is anticipated that this would be a cost neutral arrangement for Health.

1.10.2 Health will require approximately 130 secure car spaces in the new building and, with planning regulations requiring some 360 spaces, the department may seek to make some of the remaining spaces available to Health staff.

2. TECHNICAL INFORMATION

2.1 Location

2.1.1 The proposed new building would be located adjacent to Scarborough House, Health's Head Office, on the corner of Furzer and Worgan Streets at the northern end of the pedestrian precinct in the Woden Town Centre. The consolidated site area is estimated to be 10,414 m².

2.1.2 The close proximity to Scarborough House will strengthen links between all areas of the department and negate the need to reproduce meeting and conference facilities, which already occupy two floors of Scarborough House.

2.1.3 Air bridges could be included to link Scarborough House to the new building for ease of access between the buildings and Health will consult with Indigenous Business Australia (IBA), the owners of Scarborough House, in this regard.

2.2 Scope of Work

2.2.1 Fitout construction will be integrated with that of the base building and will include:

- a single double-sided major security controlled entrance and reception area;
- allocated office space for SES and EL2 officers;
- open plan office accommodation for EL1 and APS level officers;
- modular office design and demountable partitions;
- standard workstations and personal storage units;
- loose furniture;
- equipment, storage and resource areas;
- breakout/meeting areas and kitchens;
- meeting rooms;
- carers and first aid rooms;
- multipurpose room; and
- showers, lockers and bicycle racks.

2.2.2 The fitout will be specifically designed to meet the requirements of Health, and will be based on the style and themes used in Scarborough House to promote a corporate feel. Security and reception facilities will be accommodated on the ground floor at the building entrance.

2.2.3 Corporate space will be located away from the proposed building perimeter, against the building core, to enable open office planning. Open areas will be

provided on each floor for informal gatherings or meetings away from work areas. Café style seating may also be incorporated to provide staff with comfortable breakout areas adjacent to kitchen facilities.

- 2.2.4 Although final fitout design has not yet commenced, conceptual floor plans have been produced and are included at Attachment C. The office layouts will be finalised once space planning and a functional design brief have been completed by Health's design consultant.

2.3 Building Selection

- 2.3.1 In August 2004, Health publicly invited Expressions of Interest (EOI) to provide a complete A grade accommodation solution for central office staff in Woden, adjacent to, or within easy walking distance, of Scarborough House. The six respondents were all formally invited to tender in August 2006, with the tender closing on 3 November 2006.

2.4 Development Approval

- 2.4.1 The Fishburn House site forms part of the Woden Town Centre and is controlled by the Territory Plan and the Woden Town Centre Masterplan (April 2004). However, the Sirius Building site is National Land and under the control of the National Capital Authority. The developer is to consolidate the sites into a single site, to accommodate the proposed new building, under ACT Government control.
- 2.4.2 Both existing sites are zoned "Business Area B", which permits a purpose designed building including offices, child care and food shops under the Territory Plan.
- 2.4.3 The Development Application process is programmed to achieve early works (demolition and bulk excavation) development approval in September 2007, followed by Project Development Approval in October 2007.

2.5 Codes and Standards

- 2.5.1 The development will conform to the requirements of the *National Code of Practice for the Building and Construction Industry 1997* (the Code), the *Australian Government Implementation Guidelines for the National Code of Practice for the Building and Construction Industry 2003* (the Guidelines) and the *Building and Construction Industry Improvement Act 2005*.

- 2.5.2 The developer will be required to ensure that only those organisations accredited under the Australian Government Building and Construction OHS Accreditation Scheme, as implemented by the Office of the Federal Safety Commissioner, are appointed to undertake works on the project.
- 2.5.3 The structural elements will be designed and constructed in accordance with the Building Code of Australia and all other statutory codes and standards that apply within the ACT.
- 2.5.4 Reference standards will be met, including the energy guidelines set out in the Australian Government's *Energy Efficiency in Government Operations* (EEGO) policy, the *Australian Building Greenhouse Rating (ABGR) Scheme*, and the Green Building Council of Australia Green Star environmental rating system for buildings; and the Property Council of Australia guidelines for A-grade buildings set out in *A Guide to Office Building Quality 2006*.

2.6 Planning and Design Concepts

- 2.6.1 The building will meet the Property Council of Australia A-grade office accommodation standards. Detail on specific design components is provided in the sections 2.7 to 2.14.

2.7 Acoustics

- 2.7.1 The Base Building Development Brief specifies that design criteria and building performance shall be in accordance with the requirements and recommendations of AS 1055.1-3: 1997, *Acoustics Description and Measurement of Environmental noise and ACS-AIR-AIRAH Design Aids for Noise Control in and around Buildings*.
- 2.7.2 Maximum noise levels are to be in accordance with AS/NZS 2017: 2000, *Acoustics – Recommended Design Sound Levels and Reverberation Times for Building Interiors*.

2.8 Energy Conservation Measures

- 2.8.1 The Base Building Development Brief requires that both the base building and tenancy achieve a 4.5 star Australian Building Greenhouse Rating (ABGR), with energy saving measures to be incorporated to minimise the energy load from the building occupants and users. Key energy efficiency design features include:
- use of extensive shading and high performance glass to minimise solar glare to maximise natural lighting and visual comfort levels to the occupants;

- high efficiency low temperature variable-volume air-conditioning systems;
- pollutant-controlled variable-speed car park fans;
- high efficiency lighting systems using single lamp T5 light fittings;
- electricity and gas sub-metering systems;
- high efficiency reticulated gas domestic hot water services with water conservation fittings; and
- state-of-the-art commissioning and post-occupancy tuning and monitoring processes (Building Monitoring Control System – BMCS) to ensure that all technologies in the building are functioning as intended and that energy efficiency is maximised.

2.8.2 The development brief also requires a 5 star Green Star rating for both the base building and tenancy.

2.9 Provisions for People with Disabilities

2.9.1 The Base Building Development Brief details a number of requirements for people with disabilities, including:

- the building shall be designed to the latest editions of the following:
 - the mandatory parts of the Building Code of Australia;
 - AS 1428.2: 1992, Design for Access and Mobility Part 2: Enhanced and Additional Requirements - Buildings and Facilities;
 - NBTC notes on the Science of Building Nos. 200 to 207 “Access for Disabled People”;
- persons with disabilities shall have access to buildings occupied by the Commonwealth without unnecessary segregation or isolation from other users;
- disabled parking for visitors and staff;
- disabled sanitary facilities on each floor; and
- suitable access to and within the building.

2.10 Heritage Issues

2.10.1 There are no known heritage considerations.

2.11 Child Care Facilities

2.11.1 The proposed new building includes space for a 100 place childcare facility that will deliver benefits to Health staff and the general public more broadly.

2.11.2 IP Australia has also indicated its commitment to the provision of a suitable childcare facility for its staff in the vicinity of Discovery House, Woden. As a result, IP Australia has proposed to enter into a financial commitment and an arrangement to enable its staff to access the proposed childcare facility.

2.11.3 The childcare facility will be sublet, fitted out and operated by a suitable childcare services provider.

2.12 Fire Protection and Security

2.12.1 The Base Building Development Brief details a number of requirements in relation to fire protection, including:

- integrated operation of the air handling plant and the building fire protection system is required to meet the current Building Code of Australia and AS 1668 Part 1, where applicable, and, in particular, the section on Smoke Exhaust and Stairwell Pressurisation; and
- the building is to be designed and constructed to meet the fire safety requirements of:
 - the Building Code of Australia;
 - the relevant Territory Building Regulations and AS 2118.1 for sprinkler systems;
 - AS 2118.1 relating to fire protection;
 - the ACT Fire Brigade requirements;
 - the BCA for fire egress minimum travel distances;
 - AS 1668.1 for fire protection in air conditioning design; and
 - AS 2220 for Emergency Warning and Inter Communication Systems.

2.13 Occupational Health and Safety (OHS)

2.13.1 The department will ensure that the parties involved in the base building and fitout construction are accredited under the Australian Government Building and Construction OHS Accreditation Scheme through the Office of the Federal Safety Commissioner.

2.13.2 The building contractor will be required to develop and implement a comprehensive safety management plan for the project.

2.13.3 The building's fitout will be designed to meet Health guidelines. These guidelines make specific reference to OHS issues and will allow for

improvements in staff OHS, including work point ergonomics, lighting, air conditioning, building security and emergency evacuation/control.

2.14 Landscaping

- 2.14.1 As part of the development of the Landscape Master Plan, Enviro Links Design and May and Russell Architects liaised with Asset Acceptance (Community and Infrastructure Services) to discuss and gain feedback on proposed verge-works elements during the development of the new building proposal. Enviro Links Design have also met with ACT Planning and Land Authority to discuss the project.
- 2.14.2 The proposed landscape design draws on First Fleet design elements, such as the:
- 11 sculptural 'sail' elements to the main square, representing each ship of the First Fleet;
 - a water feature providing a water element for the sculptures to 'sail' across;
 - two long lawn areas, with mounds representing waves - both lawn areas will have lines of trees to provide shade and some degree of privacy from surrounding offices; and
 - paving to the Furzer and Worgan street frontages, patterned to symbolise the wash of a ship underway at sea.
- 2.14.3 A proposed landscape master plan is included at Attachment F.

2.15 Local Impact

- 2.15.1 Health will ensure that the building contractor has in place a documented plan for the safe passage of pedestrians and motor vehicles during the construction period.
- 2.15.2 A number of existing trees and shrubs would need to be removed for the proposed development to proceed. New trees and ground cover shrubs would be planted in newly created garden beds.
- 2.15.3 It is anticipated that there will be potential for additional employment as a result of the construction works for the base building, office fitout and the manufacture of the workstations. The increase in the number of construction employees in the area will have the potential for increased trade for the local shopping centre.

2.16 Project Costs

- 2.16.1 Health will lease the office accommodation for 15-years and will undertake the office fitout. The fitout costs and ongoing operational costs will be funded from existing appropriations.
- 2.16.2 A total fitout construction cost of approximately \$67 million has been estimated for 44,500m² based on a 2006/07 cost of \$1,300 per m², escalated at 5% per annum to \$1,505 per m² in 2009/10.
- 2.16.3 The childcare facility will be incorporated into the total space leased by Health, but is additional to the proposed 44,500m² office space. However, the childcare space will be subleased, with its operation outsourced, and it will have no capital or operating expenditure implications for Health.
- 2.16.4 The design consultant's contractual arrangements stipulate that alternate design proposals are to be prepared to ensure that the agreed budget can be met.
- 2.16.5 Health has also engaged a specialist tenant advocacy/project management adviser to ensure that the fitout design and construction is managed to budget, mitigating the risk of budget overruns. The adviser will also assist Health to ensure that the building contractor provides a value for money quotation as part of the negotiated fitout works.

2.17 Lease Incentive

- 2.17.1 Health intends to directly apply any lease incentive offered against the estimated \$67 million total fitout capital cost, as this will deliver better value for money than the alternative rental offset.

2.18 Project Delivery System

- 2.18.1 The developer will construct the new building in accordance with the Base Building Development Brief produced by Health.
- 2.18.2 Fitout construction will be integrated with base-building construction and will be managed by the developer for a fitout management fee. Health representatives will be involved in the fitout construction subcontractor tender process to ensure value for money is achieved.

2.19 Construction Program

- 2.19.1 Works are proposed to commence in October 2007 with the demolition of the existing buildings. Practical completion of the proposed new building is planned for early 2010. A project schedule is included at Attachment G.

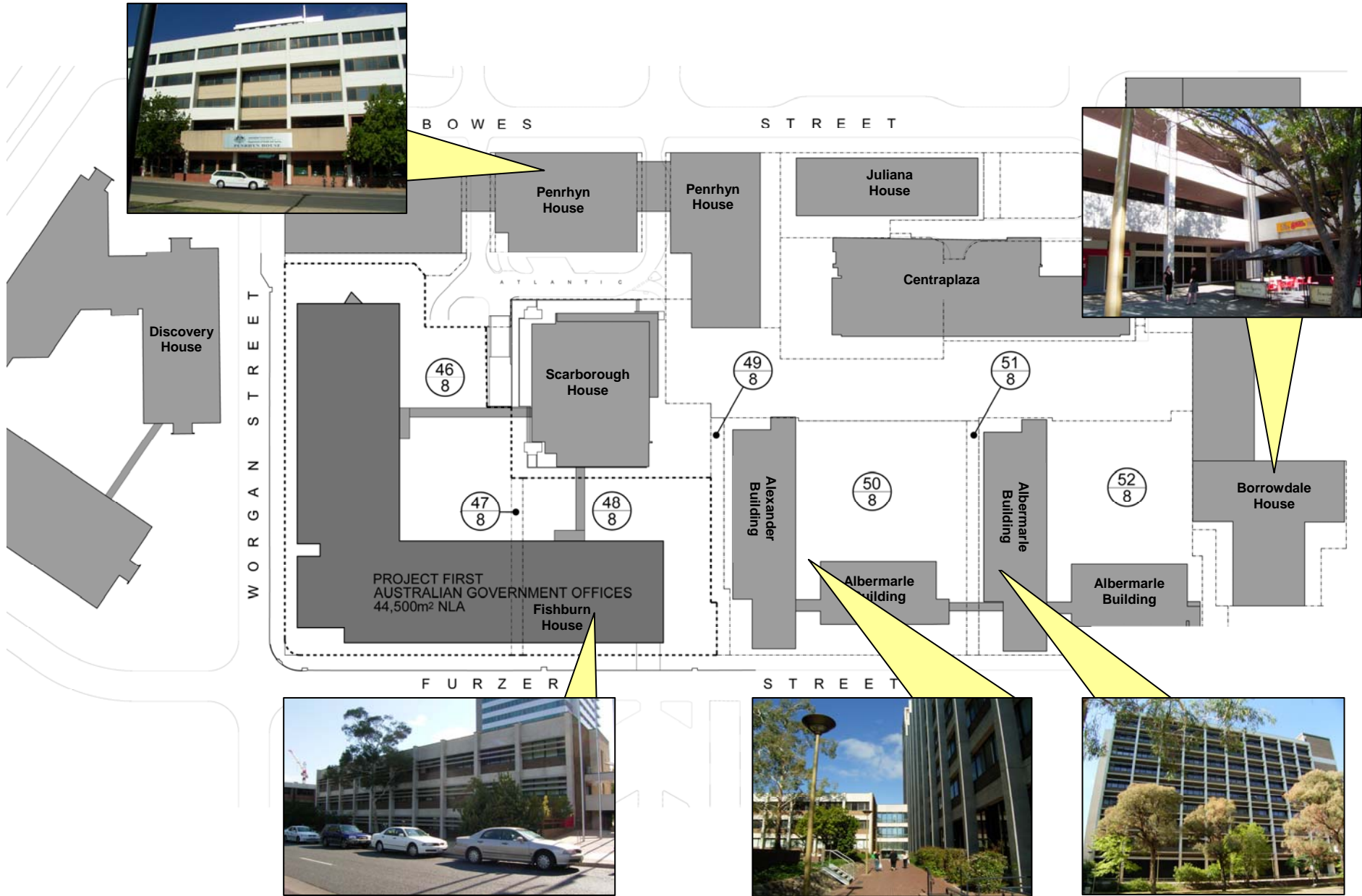
2.19.2 The developer will manage the integrated fitout with the building contractor to deliver the building and fitout for Health occupation by early 2010.

2.20 Sketch Plans

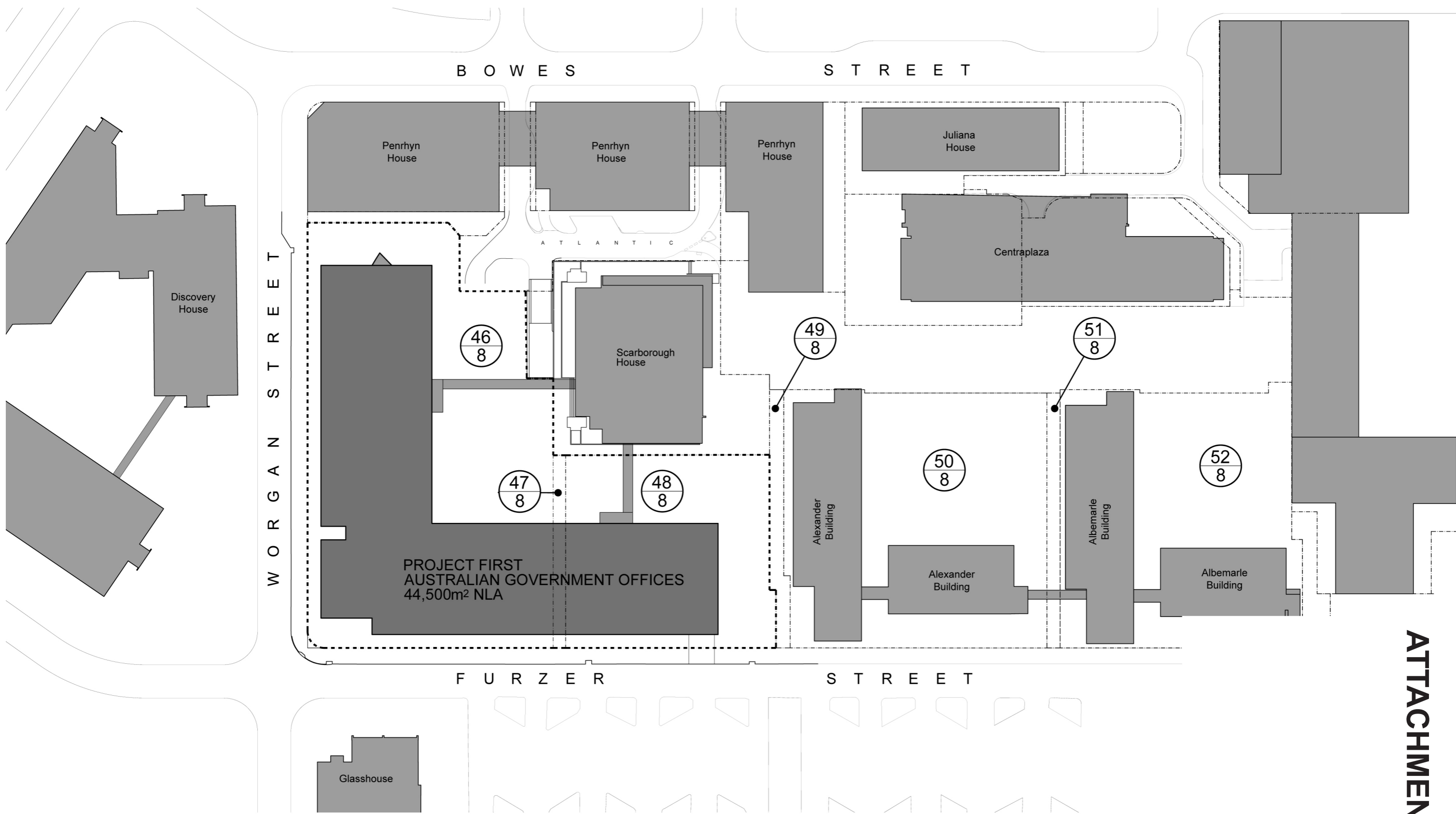
2.20.1 A design consultant has been contracted to:

- complete a Functional Design Brief (FDB); and
- develop preliminary and final sketch plans from the FDB.

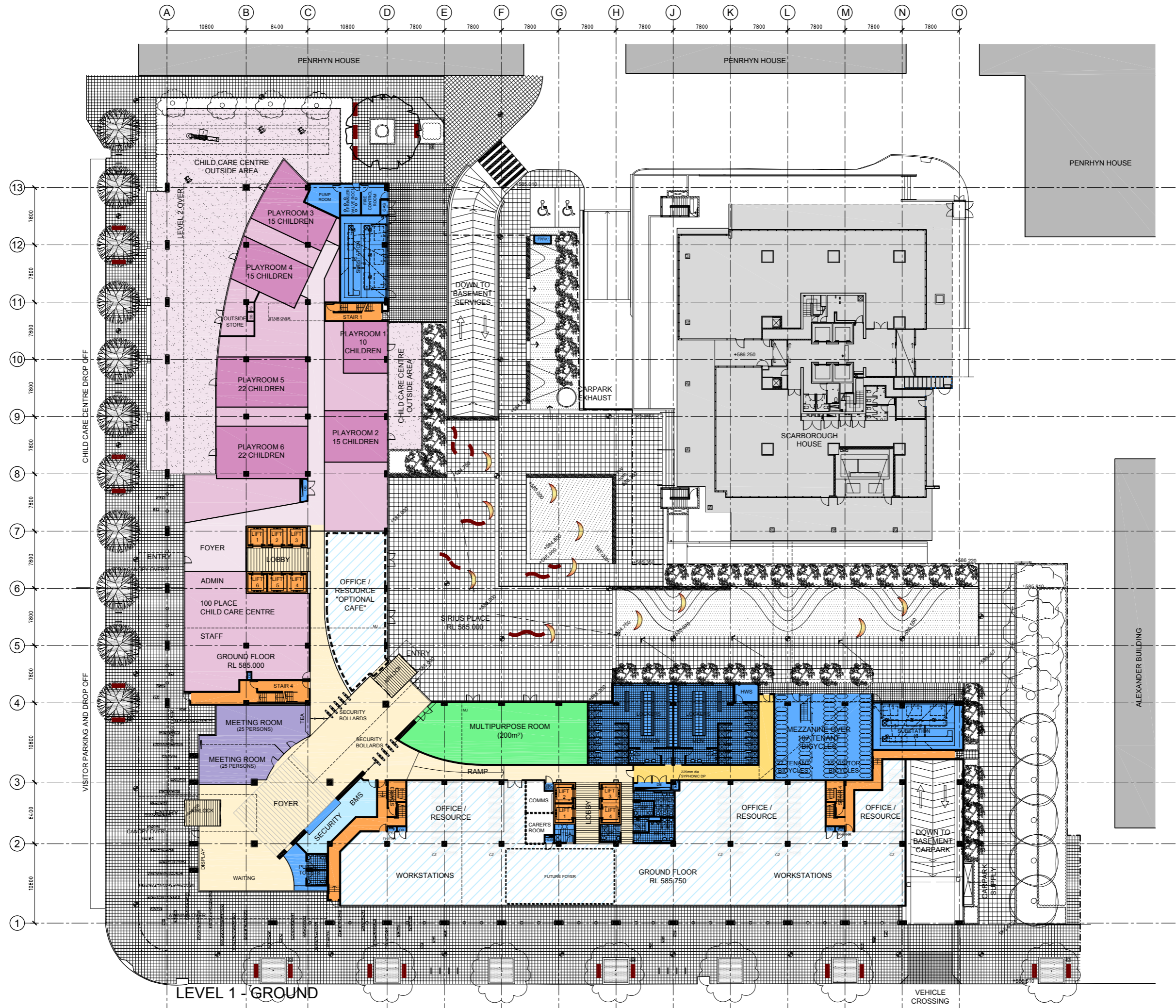
2.20.2 Indicative floor plans are included at Attachment C.



ATTACHMENT A



ATTACHMENT B





LEVEL 2



ATTACHMENT D

ATTACHMENT E

MEMBERS OF PARLIAMENT & MEMBERS OF THE ACT LEGISLATIVE ASSEMBLY

Ms Annette Ellis MP

Member for Canberra
205 Ankatell Street
Tuggeranong ACT 2900

Mr Bob McMullan MP

Unit 8
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Cooyong Centre
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Ground Floor, Law Society Building
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Canberra ACT 2601

Senator Gary Humphries

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Bunda Street
Canberra ACT 2601

Members of the ACT Legislative Assembly

Mr Jon Stanhope, Chief Minister

Mr Bill Stefaniak, Leader of the Opposition

Mr Andrew Barr,

Mrs Jacquie Burke

Mr Simon Corbell

Dr Deb Foskey

Ms Katy Gallagher

Mr Richard Mulcahy

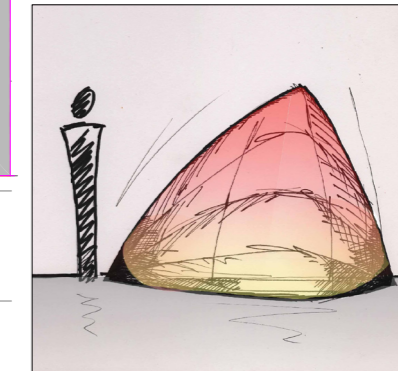
Mr Zed Seselja.

All addressed to -

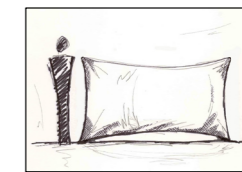
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NO.	REVISION	DATE
E	MINOR EDIT	27.10.06
D	MINOR EDIT	26.9.06
C	BASEMENT RAMP CHANGED, ADJUST STREET LIGHTS	26.9.06
B	DRAFT TO NEW BASE AND LIGHTING FEEDBACK	25.9.06
A	DRAFT FOR TEAM COORDINATION	18.9.06



Sculpture Character Sketches.
 Each 'sail' to represent one of the 11 ships of the first fleet, with the ship's name indicated on the sculpture.
 Final sculpture design to be resolved at later date.
 Sculptures intended to be lit (possibly from within).



LANDSCAPE ARCHITECTS

Enviro Links Design
 Pty Ltd



LANDSCAPE ARCHITECTURE
 VEGETATION MANAGEMENT
 ENVIRONMENTAL ASSESSMENT
 GOLF COURSE ARCHITECTURE

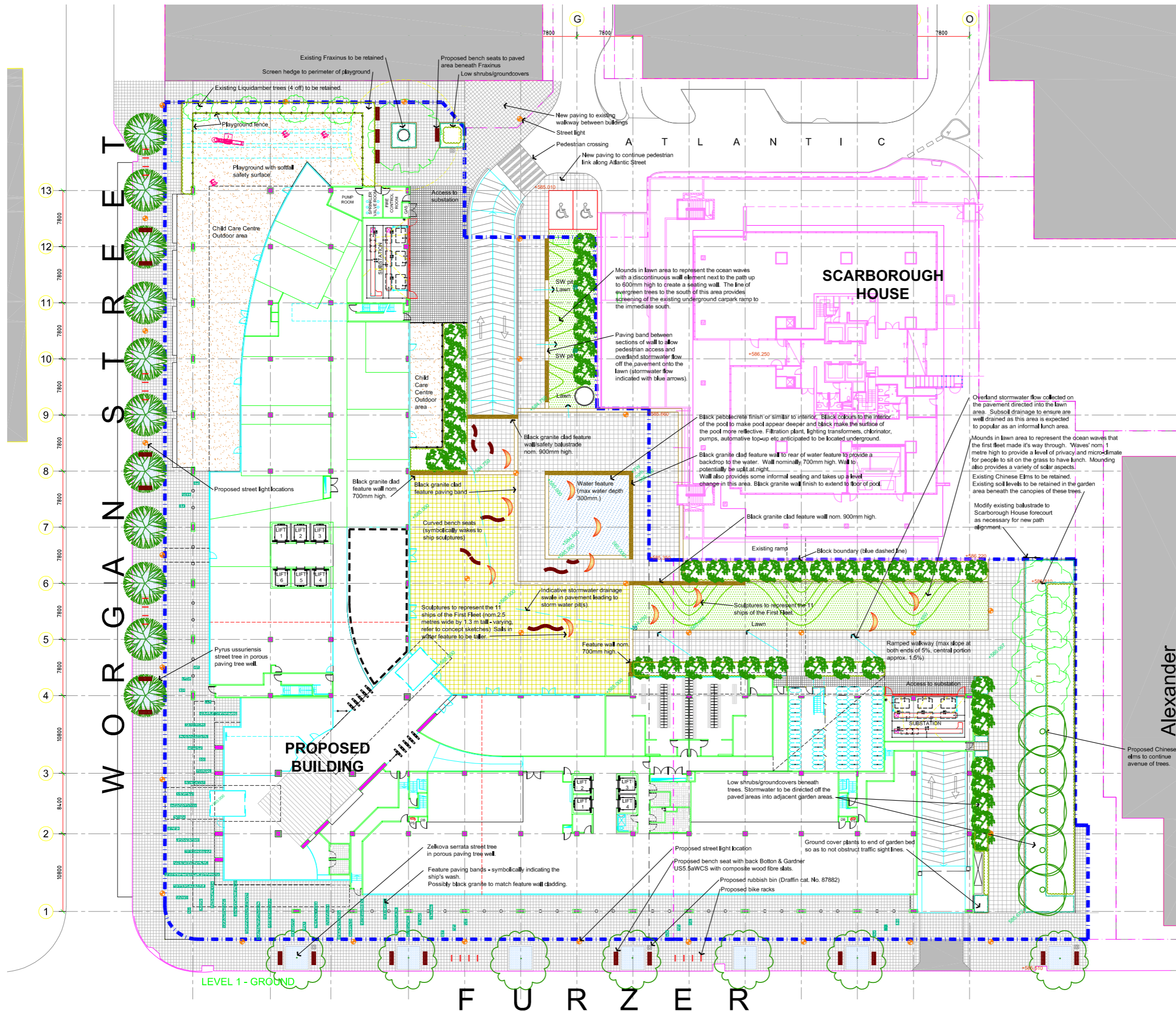
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Alexander

ATTACHMENT F

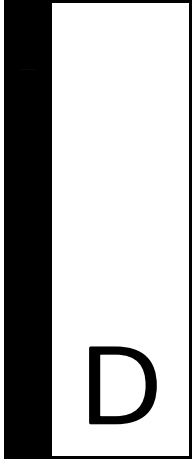


HEALTH AND AGEING - CENTRAL OFFICE ACCOMMODATION STAGE 2 - PRELIMINARY APPROVAL AND CONSTRUCTION PROGRAM

ID	Task Name	Duration	Start	Finish	2007					2008					2009					2010																								
					Half 1, 2007					Half 2, 2007					Half 1, 2008					Half 2, 2008					Half 1, 2009					Half 2, 2009					Half 1, 2010									
					D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
1	Project Approvals	131 days	Mon 15/01/07	Mon 16/07/07																																								
2	Prepare PWC evidence	50 days	Mon 15/01/07	Fri 23/03/07																																								
3	PWC Referral	1 day	Thu 29/03/07	Thu 29/03/07																																								
4	PWC Hearing	1 day	Mon 4/06/07	Mon 4/06/07																																								
5	PWC Report/Approval	30 days	Tue 5/06/07	Mon 16/07/07																																								
6	Reg 10 Approval	40 days	Fri 6/04/07	Thu 31/05/07																																								
7	Design	245 days	Mon 12/03/07	Fri 15/02/08																																								
8	FDB	60 days	Mon 12/03/07	Fri 1/06/07																																								
9	FSP Development / Finalisation	100 days	Mon 4/06/07	Fri 19/10/07																																								
10	DOHA Services Review	10 days	Mon 22/10/07	Fri 2/11/07																																								
11	DOHA BB Services Integration	20 days	Mon 5/11/07	Fri 30/11/07																																								
12	Detailed Documentation BB/Fitout	55 days	Mon 3/12/07	Fri 15/02/08																																								
13	Construct Base Building + Fitout	611 days	Mon 22/10/07	Mon 22/02/10																																								
14	Site Establishment	5 days	Mon 22/10/07	Fri 26/10/07																																								
15	Demolition	55 days	Mon 29/10/07	Fri 11/01/08																																								
16	Services Relocations	10 days	Mon 14/01/08	Fri 25/01/08																																								
17	Excavation	80 days	Fri 8/02/08	Thu 29/05/08																																								
18	Shoring	20 days	Fri 30/05/08	Thu 26/06/08																																								
19	Substructure	90 days	Fri 27/06/08	Thu 30/10/08																																								
20	Structure	160 days	Fri 31/10/08	Thu 11/06/09																																								
21	External Cladding	110 days	Fri 19/12/08	Thu 21/05/09																																								
22	Internal (BB) Finishes	160 days	Fri 6/02/09	Thu 17/09/09																																								
23	Services	140 days	Fri 6/03/09	Thu 17/09/09																																								
24	Install Partitions and Joinery	90 days	Fri 18/09/09	Thu 21/01/10																																								
25	Install workstations	60 days	Fri 16/10/09	Thu 7/01/10																																								
26	Commissioning	30 days	Fri 8/01/10	Thu 18/02/10																																								
27	BB Practical Completion	2 days	Fri 19/02/10	Mon 22/02/10																																								
28	Handover	0 days	Mon 22/02/10	Mon 22/02/10																																								
29	Handover	0 days	Mon 22/02/10	Mon 22/02/10																																								
30	Occupancy	15 days	Tue 23/03/10	Mon 12/04/10																																								
31	DOHA Occupy	15 days	Tue 23/03/10	Mon 12/04/10																																								

Project: Preliminary Schedule Date: Tue 27/03/07	Task		Summary		Rolled Up Progress		Project Summary	
	Progress		Rolled Up Task		Split		Group By Summary	
	Milestone		Rolled Up Milestone		External Tasks		Deadline	

ATTACHMENT G



Appendix D – Official Transcript of
Evidence



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Fit-out of new leased premises for the Department of Health and Ageing
in the Sirius Building, Woden Town Centre, Australian Capital Territory**

FRIDAY, 15 JUNE 2007

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

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**JOINT STATUTORY COMMITTEE ON
PUBLIC WORKS**

Friday, 15 June 2007

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Hurley, Parry and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

Members in attendance: Senators Parry and Troeth and Mr Brendan O'Connor

Terms of reference for the inquiry:

To inquire into and report on:

Fit-out of new leased premises for the Department of Health and Ageing in the Sirius Building, Woden Town Centre, Australian Capital Territory.

WITNESSES

**HARALAMBOUS, Mr Haralambos (Harry), Consultant, Technical and Commercial Adviser,
Department of Health and Ageing..... 2**

**HERPEN, Mr Dean, Assistant Secretary, Corporate Support Branch, Business Group,
Department of Health and Ageing..... 2**

LYONS, Ms Margaret, Chief Operating Officer, Department of Health and Ageing 2

**SHEEHAN, Mr Stephen, Chief Finance Officer, Finance Branch, Business Group, Department
of Health and Ageing 2**

**STOREY, Mr Neil, Director, Central Office Accommodation, Corporate Support Branch
Business Group, Department of Health and Ageing..... 2**

Committee met at 10.55 am

ACTING CHAIR (Mr Brendan O'Connor)—I declare open this public hearing into the proposed provision of facilities for the fit-out of new leased premises for the Department of Health and Ageing at the Woden Town Centre. This project was referred to the Public Works Committee on 29 March 2007 for consideration and report to parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to -
- (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, or the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

Earlier this morning the committee received a confidential briefing from the Department of Health and Ageing and inspected the site at Woden. The committee will now hear evidence from the Department of Health and Ageing. I now call representatives of the department to the table and I remind officers that they are still sworn.

[10.57 am]

HARALAMBOUS, Mr Haralambos (Harry), Consultant, Technical and Commercial Adviser, Department of Health and Ageing

HERPEN, Mr Dean, Assistant Secretary, Corporate Support Branch, Business Group, Department of Health and Ageing

LYONS, Ms Margaret, Chief Operating Officer, Department of Health and Ageing

SHEEHAN, Mr Stephen, Chief Finance Officer, Finance Branch, Business Group, Department of Health and Ageing

STOREY, Mr Neil, Director, Central Office Accommodation, Corporate Support Branch Business Group, Department of Health and Ageing

ACTING CHAIR—Welcome and thank you for meeting with us today. The committee has received a statement of evidence and three supplementary submissions from the department. These will be made available in a volume of submissions for the inquiry and are also available on the committee's website. Does the department wish to propose amendments to the submissions it has made to the committee?

Ms Lyons—I have one amendment, to attachment C(2) of the original submission, which shows a floor plan with an optional airbridge.

ACTING CHAIR—Do you wish to tender that?

Ms Lyons—I will tender that. I just wanted to amend the submission insofar as there will now be no airbridges between Scarborough House and any proposed development.

ACTING CHAIR—Are there any other matters you wish to raise that are not contained in the submission and supplementary submissions?

Ms Lyons—The only issue I would like to raise, which technically is not an amendment to the submission but probably should go on the public record, is that the original submission we put to the committee did not contain any reference to a cafe facility. At this time, the proposal would be that there would be a cafe facility owned and operated by the property owner for the benefit of staff.

ACTING CHAIR—For the record I need to indicate that Senators Troeth and Hurley attended the confidential hearing. Senator Parry has had to attend a division, but was here for the commencement of the public hearing. I invite you to make an opening statement before we go to questions.

Ms Lyons—Thank you for the opportunity to present this proposal to you today. By way of background, the Department of Health and Ageing commenced a two-stage central office

accommodation strategy in 2003 with the aim of consolidating accommodation into the Woden Town Centre and improving operational efficiencies. Stage 1 of that strategy was completed in 2005 and involved the fit-out and long-term lease of Scarborough House, and the co-location of most other central office personnel into the Woden precinct.

Stage 2 of the central office accommodation strategy seeks to overcome the accommodation deficiencies in the non-Scarborough House leases through the acquisition of a single, suitable and sustainable long-term accommodation solution. Given the commitment to Scarborough House and the resources already applied to co-locate all central office staff in Woden, the department's strongly preferred option is to lease new accommodation in the Woden precinct. The continuing co-location of central office personnel is very important to the department maintaining and further improving operational efficiencies. As a result, and taking into account the estimated future growth of the department, and available accommodation options at this time, the department is seeking to secure a single 15-year lease for some 44,600 square metres of new office space in addition to Scarborough House to accommodate approximately 3,100 personnel from 2009-10.

A preferred proposal for the lease and fit-out of a new building has been selected from a current tender process. The committee should note that the department is still negotiating with the preferred tenderer. No final agreement has been reached. Accordingly, there is a need to apply a level of care in any public discussion relating to the preferred proposal so as not to jeopardise in process.

The proposal is for the development of a building on a consolidated block on the corner of Furzer and Worgan streets in Woden. The fit-out construction is to be integrated with the base building construction. The status of the tender negotiations also means that the fit-out design is only in a very preliminary phase. That is to say, at this stage we are at the concept stage rather than detailed design. However, the department's documented base building and fit-out requirements will ensure the delivery of a modern, secure and efficient work environment. To that end, the department has engaged expert advice to provide us with what the requirements for our staff would be within a building of the size that we are considering.

The fit-out is to be of a contemporary, flexible and economical design that will minimise the impact and cost of meeting future organisational change. The base building will be energy and water efficient and tenant fit-out will fully comply with the Australian Greenhouse Office green lease requirements. Subject to parliamentary approval, the fit-out work will be integrated with the base building construction to allow the department to occupy the proposed new central office accommodation in early 2010.

ACTING CHAIR—Firstly, can I just say as I said in the confidential briefing, the committee will require greater certainty as to the status of negotiations before it could make any recommendation to the parliament for approval for expenditure. So anything we do will be predicated on you providing information about that matter being finalised. I think that is important to state at the outset.

Can I ask Ms Lyons or perhaps Mr Storey if it is more appropriate, to just broadly outline the tender process in the way it was advertised, then the capacity for people to tender and then I

guess to the point you have now reached where you are in some discussions with a preferred tenderer?

Mr Storey—The process commenced with an open expression of interest to the market seeking new accommodation in the Woden area. That was completed with a number of parties who put in an expression of interest to deliver that new accommodation to meet the department's requirements. All of those submissions were considered through a process and in fact all of the parties who submitted were eventually selected to go into a select tender process. That select tender process was conducted as per the Commonwealth procurement guidelines and through that evaluation process a preferred tenderer was selected who could actually deliver the department's requirements and we are currently in a negotiation phase, which is nearing the end of that process.

ACTING CHAIR—Without going into any financial costings, for the record can we have the main reason as to why the department took the approach it did with this particular option—in other words, the options that were considered and then why ultimately for cost reasons in particular you chose this particular arrangement.

Mr Sheehan—There were three options that we considered in the main. The first was to enter into a new 15-year lease in a current building. The second was to do minimum refurbishment in the Woden area or in other ACT buildings which would include updating to the AGRB 4.5 star accommodation levels. The third was to enter into an arrangement for potentially a new building. In terms of the broader costings, we assessed that it was the best option from a value for money perspective to potentially enter into an arrangement for a new building.

ACTING CHAIR—We certainly heard the estimates in the confidential briefing. It would be fair to say then that the cost differences were significant—that is to say that the options not used were far more expensive than the current option that is being proposed.

Mr Sheehan—The reason for that is it was assessed that to upgrade our current building to 4.5 AGRB incurred a level of cost and funding that was beyond that which you would get for constructing a new building from scratch.

Mr Herpen—Considerably.

ACTING CHAIR—As we heard in the confidential briefing. Can I ask the current staff numbers that the department currently has and whether there will be any changes in the foreseeable future? Are you looking at any growth or decline in staff numbers and has that been taken into account when you are looking at the relocation of personnel?

Ms Lyons—Currently we have about 3,050. That is the number in the 2005-06 annual report.

Mr Sheehan—In addition, given that we have had a number of budget measures for aged care, on campus we currently have between 3,200 and 3,300 personnel as our best estimate.

ACTING CHAIR—Do you know whether it is going to decline in any way or if it is growing? If you are looking at arrangements for the years ahead, have you taken into account any changes that might be anticipated?

Mr Sheehan—The estimate for the total Woden campus including Scarborough House is that we will have about 4,000 work points. There are currently around 900 in Scarborough and that will leave about 3,100, so there is an estimated increase in the number of work points that we will have available in the new building as compared to the current staff and other contract personnel that we have housed.

ACTING CHAIR—So there is certainly plenty of room for growth. I just wanted to touch on the car parking bays. What is the current arrangement with car parking? That is, how many car parking bays do you have currently and how will that change? Will you have more or fewer? If there will be more, who gets to use the excess?

Ms Lyons—Currently we have got car parking in the basement of Scarborough House and on level 1 of Penrhyn House. This proposal would incorporate 370-odd car spaces.

ACTING CHAIR—Does that including motorcycle bays as well or is that separate to that?

Mr Storey—It is separate to that.

ACTING CHAIR—370 car parking and 20 motorcycle bays.

Mr Storey—Correct.

Mr Sheehan—There is a significant shortage of car parking in the Woden area and part of that is related to recent construction on previous car parking that was available in the Woden area.

ACTING CHAIR—Will you have more or less?

Ms Lyons—We will have more than we would require by way of entitlements for staff.

ACTING CHAIR—I see. How do you allocate the excess? Has that been determined at all?

Ms Lyons—No, it hasn't. There are, as you would be aware, a number of options for allocating car parking and they range from balloting through to salary sacrificing through to rotations for certain periods of time. But at this time, we do not have a preferred option.

ACTING CHAIR—Do you have salary sacrificing for car parking?

Ms Lyons—Not for car parking.

ACTING CHAIR—I might not go down that path. You have also made sure there is plenty of room for bicycle spaces, which is happening more often and which I think is a good thing. I am assuming that, as a result, you have got a lot more showers on offer. Are you expecting an increase in staff travelling to work on bicycles? Have you actually asked staff whether they would use bicycles more if there was more room?

Ms Lyons—I do not think we have asked the staff.

ACTING CHAIR—You have assumed that there will be more use.

Ms Lyons—I guess it would be fair to say that the Department of Health and Ageing encourages a healthy lifestyle, and riding to work is one of those things that is part of a healthy lifestyle.

ACTING CHAIR—So all the senior managers will ride to work on bikes and the staff will use their cars or will it be the other way around? That is just a joke.

Mr Sheehan—I think there will be a bit of both. We currently have a bike caging facility in one of our buildings and that will need to be transferred to the new accommodation.

Mr Storey—The base building is to be designed to 5-star Green Star in addition to the 4.5-star AGBR. To achieve the Green Star requirements means the provision of appropriate spaces. One of the reasons those bicycle spaces are provided is to meet that Green Star requirement. As has been indicated, the department's position is of course to promote healthy lifestyles.

ACTING CHAIR—I think it is a very good idea.

Mr Haralambous—As Ms Lyons mentioned, we are at schematic stage. When we get to the provisional stage sketch plan stage, as the department's advocate we will be undertaking staff consultation and we will canvass the staff in terms of the numbers of bicycles, and then we will establish the bicycle numbers.

ACTING CHAIR—You would have been involved in many projects. Have you been involved in projects that have actually added bicycle bays? Has that led to increased usage?

Mr Haralambous—Yes, it has. The most recent was the Department of Industry, Tourism and Resources in Civic. Originally at schematic stage, we had allocated an area for bicycles which was a lot smaller than what we eventually ended up with. That also adds to the lockers and the showers, which will come through as a result of that.

ACTING CHAIR—Is there a concern about the use of water because of the increased shower facilities in that building? We are all very sensitive to water usage now. Someone has changed the shower head in my ensuite in my office. I have to dance around to get wet now. Is this construction going to capture any water?

Mr Haralambous—The base building brief, which was tendered to the proponent, has a requirement for 4.5-star AGBR and Green Star. However, the local authorities have a requirement that, to successfully obtain development approval, the developer has to build retention and detention tanks. The detention tank will be used for flushing of toilets. We have not made a decision on waterless urinals yet. If we do not use waterless urinals, we will use grey water to flush the urinals.

ACTING CHAIR—Mr Harry Jenkins is a member of this committee. He is an expert on ablutions. Unfortunately he is not here to go any further on that area, but obviously it is very important that we have regard to consumption of water.

Ms Lyons—The other thing that we are considering is timers on the showers.

ACTING CHAIR—Probably press a button and just keep pressing—no!

Ms Lyons—No, one press.

ACTING CHAIR—That makes sense. They have them in camping grounds, I have used one recently myself. That is a good idea. People tend to want to stick to it anyway. There will always be a few serial offenders. I just wanted to talk about the childcare facility. I am not sure what arrangements there are for staff currently. I imagine there are many different arrangements to care for their children while they are working for the department. The department proposes an independent childcare centre to sublease some of the leased area and, as I understand it, from what we were discussing in the confidential briefing, Ms Lyons, you said that the centre primarily would be for the use of staff and if there were excess places, it may well be open to others. Again, it is along the lines of the bicycle provision, have you any indication as to how much interest there is in using the centre? Has there been any sort of polling or surveying of staff as to whether they would take up the offer if it were provided to them?

Ms Lyons—Perhaps if I go back to your opening question about the current arrangements. Each staff member must make individual arrangements. So in that regard, a childcare centre would be probably of enormous benefit to some individuals and families in the health department. No, we have not conducted a formal survey, but as part of the staff consultations that we will undertake once we reach an agreement, we would certainly be drawing that to the staff's attention. I might add that we have recently been through the CA5—that is, certified agreement—negotiations. We do not have a concluded agreement as yet but we have one about ready to go to the staff.

ACTING CHAIR—So your current CA4 is not nominally expired? You are in the process—

Ms Lyons—No, it nominally expires on 8 July.

ACTING CHAIR—It would be a union agreement. Federal public servants are all under union agreements. I find this very strange but I think it is very good. It would be a collective agreement—a certified agreement where the CPSU would be a party and the department would also be a party.

Ms Lyons—That is right. In the course of those negotiations, the new accommodation and the fact that there would be a childcare centre in any new accommodation was, as I understand it, warmly welcomed by the staff representative committee.

ACTING CHAIR—They would have raised that issue. I imagine childcare is an employment issue.

Ms Lyons—Yes.

ACTING CHAIR—How would it work as you see it; you have the independent centre. Would staff be given priority over non-staff, but the commercial arrangements for the use would be between the staff member and the centre?

Ms Lyons—And the operator, yes.

ACTING CHAIR—You would not involve yourself at all in that arrangement?

Ms Lyons—No.

ACTING CHAIR—Would they pay a commercial amount, would there be some attempt to subsidise or is it just preference of access rather than preference in any other—

Mr Sheehan—Preference of access and obviously if there were an excess of spaces, there are other agencies in the local area that have expressed an interest in also participating in the childcare centre.

ACTING CHAIR—So if there are others on the priority list would it go departmental staff and then maybe other federal departmental people before private or is it just everyone else?

Mr Sheehan—IP Australia have also expressed an interest in—

ACTING CHAIR—So they would be second.

Mr Sheehan—Yes.

ACTING CHAIR—You have not commenced that process of having expressions of interest for its operation.

Ms Lyons—No, we have not, but at this time we expect to go out to public expressions of interest or tender to find an operator.

ACTING CHAIR—You might have this in the submission—have you a proposed number of places?

Ms Lyons—Yes, 100 places.

ACTING CHAIR—I read that somewhere. I was going to talk to you about the air bridges but they have been—

Ms Lyons—Airbrushed!

ACTING CHAIR—Can we talk briefly about the negotiations the department is in with its employees and their representatives. How did you consult with staff to explain the relocation proposal? Was there a schedule of meetings? I think you could say there was some consultation. Obviously they are aware that there is going to be some relocation. To what extent are they aware of this current arrangement that would very much be new to them?

Ms Lyons—The detail of this current arrangement would be new. The staff are aware of the concept of stage 2 of the central office accommodation plan, through a number of

communications both locally within the various buildings and through a couple of messages that the secretary has put out to staff.

Mr Herpen—From a function design point of view, detailed staff consultations regarding fit-out requirements and local business needs are due to be undertaken in the next couple of weeks.

ACTING CHAIR—Would there also be some standards that the department has to apply—for example, work space and square meterage? Would the square meterage per employee be the same, more or less as a result of the relocation? I think we spoke about that at the inspection, Mr Storey.

Mr Storey—Yes. Generally about the same, although there is great variation across the buildings we currently have. Scarborough House is our newest building, and that is what we will be modelling on. It will remain the same as Scarborough House, and therefore we will have the same style of fit-out across the two buildings, which we will eventually get to. That will have the same space in essence.

ACTING CHAIR—Is there an average square meterage?

Mr Storey—Approximately seven square metres at this point for the workstation.

ACTING CHAIR—This is other than senior executive officers, who have offices, I am assuming.

Mr Storey—Yes.

ACTING CHAIR—Then the open work spaces would be seven metres, would they?

Ms Lyons—Yes.

Mr Storey—As a minimum.

ACTING CHAIR—And that would be inclusive of the open area?

Mr Storey—No, it is not.

Mr Sheehan—Just the workstation. The gross area is about 14.

ACTING CHAIR—That sounds pretty good. That is a big issue for staff morale, we have been told time and time again. I do believe I need to raise the submission by Australian Public Trustees. Clearly it is a public document; it is on our website. We need to spend some time on this. There was some criticism by the Australian Public Trustees of the health department's statement of evidence, which I did go through in some detail in the confidential briefing. But I do think it is important for the department to make an indication. Perhaps I will lead a little bit by asking you about it. The APT, as I understand it, did seek to tender, but tendered later than the closing time of accepting tenders—is that correct?

Mr Storey—Correct.

ACTING CHAIR—What I did require of the department was a copy of the notice to the selected proposed tenderers indicating the time of the closure, which will have—I am hoping—not only the date but the 2 pm time. If that can be provided to the committee sometime after today I would be very appreciative. There were some criticisms, of course, in the submission, leaving aside what concerns APT. They did raise some issues, and I think it is important for the record that the department respond to some of those, if you could, in whichever order you would like and using however many officers it will take to do so.

Ms Lyons—Perhaps at the outset I should say, as we are still in a negotiation period with this tender, that our intention always was that once the tender had been finalised we would debrief APT on the process and how we got to where we got and those sorts of things. I am mindful that that debrief has not occurred—

ACTING CHAIR—And we do not need any detail either. I guess what we need at least for the record is the department to either accept or refute the assertions in broad terms made by the APT with respect to your own statement of evidence.

Ms Lyons—First I will turn to one of the concerns that were raised by APT, and that was that the department leases a number of older buildings and we in our submission indicated that most of those leases were coming to an end. In fact, it is correct to say that there is an option on the lease for Penrhyn House, and we have written to the committee secretariat putting on the record the fact that, yes, it could indeed be interpreted that perhaps we should have clarified that in a different way, and that is what we have done in that letter.

The submission also indicated that we had said that office accommodation is of poor quality, generally C grade. Whilst that may not apply to Penrhyn House, certainly it applies to the other leases that we have in the Woden precinct.

ACTING CHAIR—Okay, thank you.

Mr Sheehan—I think it would be fair to say that we were looking for 40,000 square metres or thereabouts and the APT submission did not necessarily meet that particular criterion.

ACTING CHAIR—They are not actually appearing today. I am not sure why that is the case, but that is entirely up to them. They have made submissions and they do go to seven areas of complaint or criticism. I am going to read them onto the record: renewal options, standard of alternative accommodation, the ABGR rating, value for money, disruption to the department's operations, childcare facilities and project time frame. They are clearly concerned about those matters, and they assert that the department only addressed a number of those concerns that they raised. I am perhaps inviting the department beyond today, given again also the status of the current negotiations, to provide answers to the questions they raise. The assertions made may be completely baseless, but I do think we need to have reasons as to why the assertions are wrong or why indeed there are reasons for a particular matter being the way it is. The committee would be assisted if we could be provided with some information beyond today on those matters. If you have already answered or responded to a number of their criticisms, we will take that as sufficient information, but certainly for those that may not have been touched upon we would invite you to do so. Would that be possible?

Ms Lyons—If I could just say: I am conscious that we are still negotiating with a preferred tenderer. If we reach a final agreement with the preferred tenderer, then, in debriefing the other parties that we asked to submit a tender, and given that APT did submit a tender, albeit late, these issues would be dealt with as part of the debrief. Because of the nature of some of the issues that they have raised, it is probably difficult to do other than leave it until we have completed the tender negotiations.

ACTING CHAIR—Yes. I was assuming that it could be done at that point but before the matter is tabled.

Ms Lyons—Yes.

ACTING CHAIR—Given the situation we are in, we really will need all information, and we would like to be able to quell any criticism with information provided by the department. If it has to wait until you have finalised matters, then so be it, but I think we need that before we can recommend to the parliament approval of the proposal.

Mr Haralambous—If we gave you a record of the debrief would that suffice?

ACTING CHAIR—Yes, and if we need anything further we will ask you. That might be entirely proper and sufficient. I might just refer to some of the traffic considerations. In its main submission the department reports that it will ensure that the building contractor has in place a documented plan for the safe passage of pedestrians and motor vehicles during the construction period. The department has not provided any information in its statement of evidence to any traffic impact study being undertaken. What do you anticipate being included in the plan for the contractor for the safe passage of pedestrian and vehicle traffic during the construction period?

Mr Haralambous—The developer is required to seek a development approval from the local authorities. Part of the local authorities criteria for successfully achieving that development approval is to give a traffic management plan, and a traffic management plan during construction. We are not bringing any more staff to Woden, so our initial feeling is that there will not be a significant impact in the area at all. However, if the local authorities require the developer-builder to submit that traffic impact study, he will do so.

ACTING CHAIR—So you think there is not sufficient changes to require the—

Mr Haralambous—I think in terms of traffic there will be huge relief. The car spaces that were quoted earlier are a net addition to Woden at the moment, so there will be a relief in that area. In terms of the traffic flow, it may be concentrated in the entry into the basement, but that is the developer-builder's concern in managing that with the local traffic department. I am sure all safety measures would be put in place. During the construction phase, every building contractor has to submit a traffic management plan for the duration of the construction. So that will also be taken care of.

ACTING CHAIR—In the main submission of health you noted that the base building development brief incorporates a number of fire protection initiatives, including relevant sections of the BCA and territory building regulations. However, you do not make any mention of consultation with local fire authorities. Have you consulted the local fire authority with regard

to the fit-out or base building development brief? If so, what was the outcome of consultations? If not, why not?

Mr Haralambous—I will go back to the development approval that the developer requires. Part of the process with the local authorities is that, once you submit a development approval, the planning authority sends a copy of it directly to the fire department. That is also during the building application—the BA process. The fire department then has an opportunity to scrutinise the drawings and pass comment as to whether, in their view, the building meets the BCA, which is the regulatory document that governs the fire requirements. I think that is happening at present with regard to the base building. When we get to the fit-out, as we have said, we have only thought of block planning and numbers, we do not have a plan as yet how we are going to plan them. Once we get to provisional sketch plan stage, our consultants will have a fire consultant on board, who will consult with the fire brigade to ensure the safety of the staff.

ACTING CHAIR—Ms Lyons, you mentioned the cafeteria at the beginning as an amendment. Did you explain on the public record the fact that it will be an arrangement between the building owner and the cafeteria—the commercial enterprise rather than the department? I am not sure if we touched on that.

Ms Lyons—If I did, I am happy to repeat it. At this time, the arrangement is that there would be space for a cafe for the benefit of the staff. The cafe would be owned by the building owner. Presumably the building owner would lease the premises to an appropriate operator. The developer has indicated to us that if this comes to fruition they will notify us of who the operator was going to be. We have also made it clear that we would not want such a premises to be licensed. They have indicated to us at this time that that is acceptable.

ACTING CHAIR—I do not have any further questions. Before closing, I thank the witnesses who have appeared before the committee today and those people who assisted our inspection and private briefing this morning.

Resolved (on motion by **Senator Troeth**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at public hearing this day.

Committee adjourned at 11.36 am