

PUBLIC WORKS COMMITTEE
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Submission No. 1
(Fit-out of AFP Building, Barton)
M.L. 08/07/08

FITOUT OF
THE EDMUND BARTON BUILDING
AT
BARTON, ACT

STATEMENT OF EVIDENCE
TO THE
PARLIAMENTARY STANDING COMMITTEE
ON PUBLIC WORKS



AFP
AUSTRALIAN FEDERAL POLICE

AUSTRALIAN FEDERAL POLICE
CANBERRA, ACT
JULY 2008

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GLOSSARY

Abbreviation	Meaning
ABGR	Australian Building Green Rating
AFP	Australian Federal Police
ANAO	Australian National Audit Office
APE	Anzac Park East
APW	Anzac Park West
BCA	Building Code of Australia
DEWHA	Department of Environment, Water Heritage and the Arts
EBB	Edmund Barton Building
ESD	Environmentally Sustainable Design
EOI	Expression of Interest
HQ	Headquarters
Finance	Department of Finance and Deregulation
MOU	Memorandum of Understanding
NCA	National Capital Authority
NLA	Nett Lettable Area
NPI	New Policy Initiatives
NPP	New Policy Proposal
PWC	Public Works Committee

INTRODUCTION

- 1 The following statement of evidence details a proposal by the Australian Federal Police (AFP) for the fitout of the Edmund Barton Building (EBB) in Barton, ACT.
- 2 The AFP currently performs its national role in Canberra from 16 geographical sites in commercial premises and this is not suitable for the AFP's long-term operational requirements.
- 3 The AFP requires a consolidated National Headquarters in order to more effectively carry out its responsibilities for law enforcement and security throughout Australia, achieve business and cost efficiencies through centralisation, accommodate the increased number of people now working with the AFP in Canberra, and rationalise six of its current locations.

IDENTIFICATION OF THE NEED

Objectives

- 4 The AFP is the major instrument of Commonwealth law enforcement. Its role is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. The AFP is Australia's international law enforcement and policing representative and the chief source of advice to the Government on policing issues.
- 5 The AFP's strategic accommodation plan, commissioned externally in 2004 recommends the consolidation to the following two sites:
 - A National Headquarters for staff conducting non-specialised national leadership, management and enabling functions, and
 - The progressive development of a site owned by the AFP on Majura Road at the outskirts of Canberra to house specialist operational and training functions.
- 6 Overall, the AFP Headquarters (HQ) and non-HQ functions are spread across 16 sites. The majority of the HQ functions are located in six sites that will be relinquished as part of the collocation to EBB as shown at Annex A. In addition to the six sites, there are some more minor HQ elements in the remaining buildings that will also collocate to the EBB. With the exception of ACT policing and some specialised AFP functions that will remain discrete, the remaining non-HQ elements may be collocated at the AFP Majura Road facility as part of the progressive development of the site. It should be noted however that the Majura redevelopment is still subject to funding and other approvals.
- 7 The co-location of AFP's office based National Headquarters functions in the EBB will provide a solution to the AFP's requirements of having a primary Headquarters building in a central location.
- 8 The ACT policing functions are not intended to be accommodated at the EBB.

Background

- 9 In 2001, the AFP first established a strategy to integrate all of its National Headquarters functions in a collocated site within the ACT in order to achieve business efficiencies and optimise its security and risk management requirements.
- 10 Stockland Property Trust is the owner of the two main buildings housing AFP's existing headquarter role (68 and 70 Northbourne Ave). Upon learning of the AFP's desires for a consolidated National Headquarters in 2002, Stockland advised the AFP of its intention to redevelop the site and not entertain a renewal of the lease after its then expiry date of 30 June 2006.
- 11 In 2004, the AFP identified the Anzac Park West (APW) building in Parkes ACT to be its National Headquarters. APW was extended and refurbished and, at the time, was considered suitable to accommodate both operational and administrative staff together in one cohesive environment. Based on the AFP's commitment to APW, the building owner of 68 and 70 Northbourne Ave re-affirmed its position to vacate the existing Headquarters for a planned redevelopment of this key address in Civic.
- 12 Faced with relocation prior to the projected completion of APW by the Department of Finance and Deregulation, the AFP noted this business and operating risk in seeking clearance from the PWC to proceed with APW in June 2004 on the grounds of urgency.
- 13 As it became evident that APW would not be finalised in time, the AFP initiated further discussions with Stockland in an attempt to defer their redevelopment plans. The AFP managed to reach an agreement with Stockland to remain at its existing Headquarters, in an arrangement which included a \$3m payment by 30 June 2006 in lieu of physical make-good and a further five (5) year lease period. However, the AFP has the ability to vacate the premises under the current EBB proposal prior to the end of the five year period without detriment, because the current Headquarters and the EBB are both owned by Stockland.
- 14 The recommendations contained in the Wheeler Review of September 2005 brought about largely unexpected changes to the nature of the AFP with increased operational obligations and responsibilities in the aviation sector.
- 15 In addition to the establishment of the Aviation portfolio as recommended by the Wheeler Review, the changing international and domestic environments have seen the AFP's activities increase in the following areas:
- the expanded role of the International Deployment Group (IDG);
 - the implementation of the AFP Operation Coordination Centre (AOCC);
 - the relocation of the Online Child Sex Exploitation Team functions to the ACT;
 - the expansion in Intelligence operations arising from a number of New Policy Initiatives (NPIs) such as Collection, Assessment and Storage of Sensitive Intelligence; and
 - the increased management and functional responsibilities needed to support NPIs for Counter-Terrorism, Protective Security, Missing Persons, Border Security, tax avoidance, tax evasion and large-scale money laundering along with various NPIs in Forensics and IT.

- 16 The AFP has consequently increased its capability and staff in corporate areas such as Chief of Staff, Chief Financial Officer and Human Resources, all of which are headquarters based. As a result, the AFP quickly outgrew the capacity constraints at APW as demonstrated in the following table:

	APW	Current Requirement
Number of Staff	700	2,200
Size	15,000 m ²	38,000 m ²

- 17 The AFP has performed a review of its Headquarters strategy, taking into account the following considerations:
- The AFP's requirement for a single consolidated Headquarters site in the ACT, which was a business objective first established in 2001.
 - The rapid organisational growth in the AFP over the past five years, which has significantly exceeded the 15,000m² capacity of APW, the site originally identified in 2004 to be the National Headquarters.
- 18 The AFP initiated a property review of the Canberra Market to identify possible sites for a Headquarters building. As a result, three options were identified:
- APW combined with Anzac Park East (APE);
 - A new building at Campbell; and
 - EBB.

APW/APE Precinct.

- 19 In an effort to accommodate the growth since the decision was taken to occupy APW, Anzac Park East (APE) could also be extended and refurbished. However, this solution alone would not fully meet the requirement as shown in the following table:

APW	15,000 m ²
APE	19,500 m ²
Total	34,500 m ²
Requirement	38,000 m ²
Shortfall	3,500 m ²

- 20 There is an option to construct a third building in the APW/APE precinct to cater for this shortfall and so the AFP initiated negotiations with the Department of Finance and Deregulation to secure the use of APE. However, given the cost of refurbishing and extending APE and the cost of constructing the additional new building, this option did not prove as cost effective as the EBB. The EBB is large enough to accommodate the requirement and therefore only requires refurbishment and does not require any extension or additional new construction to fully meet the AFP's requirements. Therefore EBB is significantly more cost effective than APW/APE.
- 21 Given the additional time to extend APE and construct a new building, APW/APE does not meet the AFP's time for completion whereas EBB does meet the required completion dates. Additionally, the APW/APE option still leaves the National Headquarters spread across different buildings and is therefore more difficult to secure than EBB which is a single building.

New Building at Campbell

- 22 While this purpose designed facility would fully meet the AFP's functional requirements, it is the most expensive option and does not meet the AFP's time for completion requirements.

EBB

- 23 EBB fully meets the AFP's requirements and is the only option in immediate proximity to major government agency stakeholders and Parliament House as shown at Annex B. It will be fully refurbished to an A grade building with all new engineering services to enable environmental targets to be achieved. The difference between the AFP's requirement of 38,000 m² and the size of the EBB (40,000 m²) allows 2,000 m² for some future increase in staffing and flexibility for planning. It is the only option that meets the AFP's requirements for date of occupancy and is the most cost effective solution as indicated in the table below:

	NPV	Occupancy Date
APW/APE	\$321million	October 2011
New Building	\$338million	Late 2011
EBB	\$302million	July to late 2009

These Net Present Values (NPVs) are based on leasing costs over 15 years and have been normalized in terms of space to allow for like for like comparisons.

- 24 As a result of these investigations, the AFP Executive reaffirmed the original National Headquarters Strategy and the EBB was identified as the preferred site to accommodate the AFP National Headquarters functions. The owners of EBB, Stockland Property Trust, were approached to consider AFP's proposal to lease and fitout the EBB.
- 25 Given the decision not to locate to APW, the Department of Finance and Deregulation has agreed to assist the AFP to secure another Government agency as a replacement tenant. A protocol document which sets out the arrangements for securing an alternative tenant for the building has been entered into between the AFP and the Department of Finance and Deregulation. The cost and timing of the AFP breaking the lease at APW have not been agreed at this stage.

Existing Leases

- 26 The AFP currently holds leases across the 16 sites to perform its national role in what are essentially commercial premises. While some functions at all 16 sites will relocate to EBB, six sites in particular will be relinquished to relocate to the EBB as listed in the following table:

Property	Lease Expiry
68 Northbourne Ave	7 June 2011 (early release negotiated for 30 March 2010)
70 Northbourne Ave	30 September 2010
109 Canberra Ave	5 November 2009
24 Mort St Braddon	29 February 2009 (negotiating one year option)
7-9 Moore St	31 August 2010
West Block	30 June 2008 (currently month to month)

- 27 These six properties are dispersed across several locations. This is not suitable for the AFP's long-term operational requirements. In addition to the six sites, there are some more minor HQ elements in the remaining buildings that will also collocate to the EBB. With the exception of ACT policing and some specialised AFP functions that will remain discrete, the remaining non-HQ elements may be collocated at the AFP Majura Road facility as part of the progressive development of the site. It should be noted however that the Majura redevelopment is still subject to funding and other approvals.
- 28 Stockland is also the AFP's landlord at its existing Headquarters premises at 68 and 70 Northbourne Avenue and so the risk of dead rent can be managed through negotiation to achieve significant gains from early exit and cost avoidance. In negotiations with Stockland, an early release date of 30 March 2010 has been agreed for 68 Northbourne Avenue. This release 15 months early provides cost avoidance benefits to the AFP.

Need

- 29 The AFP requires its new National Headquarters at EBB to provide an environment which is fit for purpose and functional. International and local developments over recent years have placed greater demands on and increased expectations of the AFP resulting in unprecedented growth. The current AFP premises are geographically dispersed throughout Canberra and this sprawl has led to the creation of fragmented operational units. Present arrangements do not provide for the most efficient operational practices in accordance with the AFP's performance outcomes.
- 30 As part of the development and implementation of an interim accommodation strategy in the last four years, the AFP's Headquarters accommodation requirements have been managed by leasing additional smaller facilities and by utilising all available areas in the properties (including meeting rooms and storage spaces) as office space in an attempt to meet the increasing operational and administrative requirements.

- 31 The current fragmented facilities are inappropriate and do not comply with current BCA, Disability Access or Commonwealth Energy and Security Guidelines. The AFP's Strategic Accommodation Plan prepared in 2004 identified the following issues of specific concern to the AFP:
- The current accommodation is in cramped 'B' or 'C' grade buildings.
 - Lack of spare space and lack of flexibility in some current fitouts resulting in high ongoing accommodation churn costs.
 - Lack of consistency between current premises, in terms of staff space standards, security standards, quality of fitout and design and office facilities and amenities. The need for high levels of security can create physical barriers which break down staff interaction in some situations.
 - Fragmentation of the organisation over 16 sites impacting on working relationships, reporting lines, overall organisational cohesion and causing duplication of office facilities and amenities.
 - The current HQ site and Weston complex are not purpose built premises, making refurbishments difficult as the existing floor plates do not allow for optimal space utilisation by good interior design solutions.
 - Comparatively older buildings with out dated building services technology and building limitations.
- 32 The AFP current facilities were deemed to be lacking in the following areas:
- Large Conference Rooms to seat between 24- 30 people located in close proximity to operational groups. These facilities ideally should be equipped with a full complement of audiovisual features to ensure future flexibility for a range of requirements including in-house meetings, visitor meetings, presentation and briefing.
 - Large Muster Spaces to enable Operational Managers to address their entire team en masse. Consideration could be given to providing this as either the theatre style or providing multifunctional spaces that also operate as Staff Amenities type facilities.
 - Smaller meeting rooms located within each team's workspace for use in ad hoc situations, where it is not practical for teams to leave their immediate work zone to discuss an issue.
 - For security reasons, several meeting facilities should be provided close to reception and outside the secure perimeter of the tenancy. This will assist with ease of access for visitors to minimise client travel through the back-of-house area.
 - Larger function rooms easily reconfigurable into different spaces. Furniture will be chosen to allow for different room arrangements, maximising the flexibility of the space.
- 33 Also, there is presently a lack of quality staff amenities located in close proximity to the work environment, particularly in the Headquarters Building resulting in staff being forced to eat lunch at their desks or having to leave their areas (which are often secure) to get tea or coffee. This is largely due to the configuration of the existing facilities currently occupied by the AFP and the continual growth over time, which has seen facilities originally set aside for staff amenity, and/or meeting facilities taken over by operational requirements.

- 34 The AFP seeks to consolidate its property arrangements to overcome the above deficiencies and to provide economies of scale, security and increased internal efficiencies.
- 35 The AFP's strategic business objective for a consolidated National Headquarters has been supported by the Department of Finance and Deregulation in relation to EBB. The development of EBB, paired with the consolidation of the remaining discrete facilities at Majura, will achieve the desired solution as recommended in the 2004 Strategic Accommodation Plan.

The Proposal

- 36 The proposal is to lease and fitout the whole of the EBB located in Barton ACT. The EBB consists of approximately 40,000m² of office NLA which is sufficient space to house the AFP's Headquarters personnel of approximately 2,200 staff and AFP's Headquarters operational functions. In addition, approximately 300 car spaces will be provided.
- 37 Stockland is refurbishing the building to the Property Council of Australia 'A' Grade office standard 2006 and a 4.5 star Australian Building Greenhouse Rating.
- 38 The EBB will be fitted out to include:
- Office space
 - Core Storage
 - Conference Centre
 - Forecourt Café Facility
 - Basement Storage
 - Childcare (subject to review by the AFP)
- 39 The lease period will be over a 15-year period with additional extensions of five years and five years for the AFP to continue its occupancy of the building.

OPTIONS CONSIDERED

- 40 In a review of its requirements for a headquarters, the AFP has concentrated on two key streams:
- Identify an alternative location in the ACT for a single AFP Headquarters, with Nett Lettable Area approximately 40,000 m².
 - Re-evaluate the utilisation of APW, with the AFP either securing another Government agency(ies) as a replacement tenant(s) in consultation with Department of Finance and Deregulation, or retaining the building.
- 41 The AFP in conjunction with its supplier of property management services (Five D) carried out a property market search and environmental assessment of office accommodation in the ACT.
- 42 The AFP defined a number of eligibility criteria as the basis for a balanced review, incorporating both fundamental and desirable parameters aligned to the AFP's accommodation requirements.

- 43 The AFP's evaluation and selection criteria included the following:
- Geography;
 - Location;
 - Office Nett Lettable Area (NLA);
 - Completion Date;
 - Cost;
 - Lease Period;
 - Number of Car Parks;
 - Building Standard; and
 - ABGR.
- 44 As a result of this analysis, the AFP identified three possible sites as follows:
- The EBB located at Broughton Street, Barton and situated on Kings Avenue in the Parliamentary Precinct;
 - Construction of a new building on Block 1 Section 5 Campbell, a greenfield site ; and
 - APW and APE.
- 45 The business case and cost benefit analysis investigated how the AFP would implement its accommodation strategy and the following options were investigated as follows:
- **Option 1A** – Do nothing
 - **Option 1B** – Do minimum based on the AFP continuing to function in existing locations or with minor relocations of smaller tenancies as some leases expire. Additional leases would be procured tactically to manage ongoing organisational growth and accommodation capacity constraints.
 - **Option 2** – EBB,
 - **Option 3** – APW/APE, and
 - **Option 4** – New Building at Campbell.
- 46 The selection of the EBB as the preferred accommodation solution for the AFP is the result of a comprehensive options analysis, including the potential cost benefits for each option are detailed below:

Option 1A - Do Nothing

Comments:

- Option (a) Do Nothing, is not a viable accommodation solution for the AFP.
- Currently AFP performs its role as the major instrument of Commonwealth law enforcement in Canberra from 16 geographical sites, which is unsuitable for the long term. At the time of the review, no property owners provided security of tenure beyond lease term or options where applicable. The owners of the Northbourne Avenue properties advised in writing that the buildings will be refurbished at the end of the lease period.
- The AFP has grown and with the development of international and local events over recent years, this places new demands and expectations on the AFP and has in turn created a need for increased future accommodation requirements.

- Additionally, to do nothing would provide no basis for addressing the AFP's immediate accommodation issues as identified in the AFP's strategic accommodation plan. This could lead to an adverse impact on the outputs of the AFP and a substantial disruption to business if the decision is prolonged or delayed.
- The AFP seeks to consolidate its property arrangements to overcome the shortfalls with the existing inappropriate facilities and to provide economies of scale; security and increased internal efficiencies.

Option 1B - Do Minimum

Comments:

- To do the minimum, AFP would be required to relocate to alternate private leases. At the time of the review no property owners provided security of tenure beyond lease term or options where applicable.
- This option is the least preferred option, as it does not cater for future growth and would involve considerable funding leakage including costs of refurbishments and adjustments to fitouts in buildings with short-term leases. This option would also result in the AFP's National Headquarters functions being accommodated in multiple locations, inhibiting the realisation of operational and cost efficiencies.

Option 2 – Edmund Barton Building

Comments:

- The EBB satisfies the AFP's vision for a consolidated National Headquarters site, in order to rationalise its multiple points of representation in the ACT, achieve business efficiencies and more effectively carry out its enabling and operational responsibilities.
- The AFP envisages that the location of the new headquarters in the EBB will be a key driver in maintaining and improving a policing service that is innovative, proactive, educated, trained and operationally prepared in ensuring the safety and security of all Australians.
- These visions are directly affected by the critical accommodation issues faced by the AFP.
- A consolidated National Headquarters site solution in a primary location will represent the AFP to its key stakeholders including AFP staff, Australian and international law enforcement representatives, the Australian public and the Australian Government.
- The EBB meets the AFP's requirements for efficient floor plates that will enable the installation of a fitout that provides good access to natural light, infrastructure services and staff facilities in an attractive and functional working environment.
- The EBB will be refurbished incorporating an integrated fit-out strategy where practicable and is expected to be ready for occupation progressively from July 2009 to late 2009, which is much earlier than any other option considered.
- Stockland has already commenced the refurbishment of the EBB.

Option 3 – Anzac Park West and Anzac Park East

Comments:

The leasing of APE/APW is not the AFP's preferred option. This option does not meet the AFP's future accommodation requirements as a result of a number of factors including:

- The anticipated completion date for APE at the time of the review was October 2011. This does not meet the AFP's accommodation shortages and increasing demands for office space.
- Under the building configuration proposed for APW/APE, it is probable that an ANZAC Park solution would necessitate construction of a third complex, most likely to be completed within a timeframe well after APE.
- Less cost effective for AFP.

Option 4 – New Building - Greenfield Site, Block 1 Section 5 Campbell ACT

Comments:

- The major advantage of the Greenfield site is that it would be a purpose designed building.
- The Greenfield site is inhibited by its estimated delivery time of two years from a date of commitment for the property. In addition, a number of decision hurdles involving the ACT Government relating to land release before the property is brought on-line for development were also taken into account. On the other hand, the EBB already has Development and Heritage approvals.
- The Greenfield site option is not the best value for money outcome for the AFP.

Reasons for adopting proposed course of action

- 47 The EBB rated highest in the analysis by a distinct margin, and performed strongly relative to the AFP's key business drivers of location, space, delivery time and cost.
- 48 EBB will secure an accommodation solution that supports AFP's operational and security requirements, enabling delivery, with increased efficiency, of the two major performance outcomes (being the investigation and prevention of crime against the Commonwealth, and the creation of a safe and secure environment in the Australian Capital Territory).
- 49 The EBB accommodation solution will substantially reduce the duplication of facilities currently required across the multiple sites AFP presently occupies. The EBB concept supports AFP's vision to create workplaces that are innovative, dynamic, efficient and secure, facilitating sharing of information and collegiate and collaborative environments.
- 50 Agreement in principle has been reached for the Commercial terms to lease a refurbished EBB, and the AFP anticipates relocation to EBB as from July 2009.
- 51 The AFP will be the sole tenant at the EBB mitigating security risks associated with joint tenancies or multiple buildings.
- 52 The AFP enlisted Five D to conduct an Expression of Interest (EOI) within industry to elicit leasing proposals for a replacement tenant for APW.

- 53 In honoring its lease commitments to APW, the AFP's preference is to identify another single Government agency to assume full occupancy of the site for the fifteen (15) year lease under commercial terms, which are at least compatible with those currently in place between the AFP and the Department of Finance and Deregulation.
- 54 The AFP and the Department of Finance and Deregulation's Asset Management Group have entered into a protocol for co-operation to secure a replacement tenant for APW.

ENVIRONMENT AND HERITAGE CONSIDERATIONS

- 55 The EBB is listed on the Register of the National Estate and was designed by renowned Architect, Harry Seidler. Any proposed modifications of the building will be in accordance with the Conservation Management Plan that will be developed in conjunction with the Seidler Trust and implemented for this significant building. Only subtle changes will be made to the external appearance of the building, with the original design intent retained.
- 56 A Heritage Management Plan has been prepared for the site by architectural heritage and conservation consultants, Eric Martin and Associates who undertook extensive consultations and a public notification process. The Heritage Management Plan and the proposals for the ground floor to accommodate the AFP's requirements have been discussed at two meetings with representatives of Stockland and the Seidler estate during 2007 and no objections have been raised.

GOVERNANCE

Executive Committee

- 57 The Executive Committee of the AFP is responsible for setting the broad project direction, communicating with the Minister on the project scope, status and issues, resolving issues affecting more than one portfolio of the AFP and performing a high level review of project cost and time parameters.

Project Steering Committee

- 58 A Project Steering Committee within the AFP is being established with responsibility for:
- Setting broad overall program and project direction;
 - Resolving matters of policy affecting more than one portfolio of the AFP and/or crossing project boundaries;
 - Reviewing project progress;
 - Endorsing major project deliverables;
 - Addressing any areas of serious concern, major risks and issues that arise during the project;
 - Ensuring that skilled AFP staff are committed to the project;
 - Referring appropriate matters to Executive Committee for approval or advice.
 - Acting as the ultimate arbiter for the resolution of all major project issues and policies.

- 59 Risks will be formally managed according to the AFP's Risk Management Framework. The Project Steering Committee will manage by exception any significant change in risks. The Headquarters Project Team will present issues at monthly meetings to the chair of the Project Steering Committee.

Probity

- 60 Probity advice and audit services for the project will be provided by the AFP's legal advisers.

Consultation with Relevant Authorities

- 61 The following authorities, Departments and organisations have been consulted by Stockland and its consultants and the AFP (where applicable) in the development of the proposal:

- Australian Government:
 - i. National Capital Authority
 - ii. Department of Environment, Water, Heritage and the Arts
 - iii. Department of Finance and Deregulation
 - iv. Attorney-General's Department
- ACT Government:
 - i. ACT Planning & Land Authority
 - ii. ACT Roads
- Seidler Foundation

Staff Consultation

- 62 The AFP has implemented a communication strategy for staff consultations for the duration of the accommodation project. The principal means for communicating with staff will be:
- Regular face to face meetings between management and staff;
 - A dedicated intranet site;
 - Regular email updates;
 - Site visits during construction by staff representatives;
 - Staff visits following Practical Completion and before occupancy;
 - Staff nominees involved in the user requirement briefs and fit-out design;
 - Use of a IT capture system to facilitate the submission of questions, comments and feedback from staff and the storage of these submissions and the responses; and
 - Headquarters Client Advisory Group (HQCAG) with representation from each portfolio to facilitate consultation and communication between staff and the project team.

63 During the course of the project, a location will be determined where the project team can setup displays of EBB which include:

- Displays showing internal and external designs;
- Prototypes of workstation designs and configurations;
- Progress reports and photographs of the project; and
- Relevant documentation to provide staff access to the information used in the decision making process and the management of the project.

Note, these will be included at the relevant stages of the project.

Revenue

64 There will be no revenue derived from the proposed EBB fitout.

TECHNICAL INFORMATION

Location

65 The AFP Headquarters Fitout will be undertaken in the EBB that is located on Broughton Street, Barton and situated on Kings Avenue in the Parliamentary precinct.

Scope of Works

66 The AFP's Lease covers the whole of the EBB. The building will accommodate the Executive and enabling groups.

67 The fit-out works will include modification of services into the base building works, an integration model is being investigated. The proposed modifications include:

- Electrical works including mains upgrades, tenant switchboards, substation upgrades, generator installation and switchboards, UPS and battery rooms.
- Supplementary air conditioning units to those rooms with higher than normal cooling and ventilation requirements including conference rooms, training rooms and ICT rooms. The base building has a tenant condenser water circuit for this purpose.
- Office area lighting utilising energy efficient "T5" fluorescent lighting, incorporating electronic high frequency ballasts, connected to a lighting control system providing the ability to control switching and reduce lighting levels where appropriate. Designated rooms will be provided with movement detectors to automatically turn off lights when the room is not in use.
- Other ESD initiatives including a Building Management System to control and monitor building services to minimise energy usage and enable accurate recording of consumption in each zone.
- Security works including door hardware and electronic access control at the entrance, lobbies, exits, vehicle access points and internal areas with higher than normal security needs that in line the Commonwealth Protective Service Manual and relevant Commonwealth security agencies. The security treatment strategies as outlined in the Security Brief will be based on the results of a National Threat Assessment Centre (NTAC) and AFP Threat Assessment.

- Supplementation of the base building fire services where required as a result of fit-out design to ensure compliance with relevant codes. These services include, EWIS upgrade, exit lights, fire detection and sprinkler supplementation as necessary.

Office Accommodation

68 The office accommodation fit-out will be undertaken after completion of the base building refurbishment. Each office floor will be handed over on practical completion of the base building refurbishment. This general fitout will include:

- Plasterboard and glass partitioning to form individual offices, meeting rooms, reception areas, utility and store rooms, training rooms, communications equipment rooms and staff facilities. The workstations will incorporate low height modular paneling to provide work space separation and to facilitate power and data reticulation;
- Workstation sizes will be based on a concept of modularity and flexibility. These planning provisions are similar to the current arrangements and are suitable for the AFP's operational requirements. Staff in open plan areas will have access to break out areas and meeting rooms;
- Workstations will include personal storage units;
- Joinery items such as reception counters, credenza units in conference rooms, utility and storage benches in utility rooms and servery units in amenities areas;
- Tenant signage including external signs, a directory board in the ground floor lobby, directional and statutory signage; and
- New loose furniture.

Indicative options for floor layouts are shown at Annex C and Conceptual renderings of possible fitout design are shown at Annex D.

69 The building will provide the AFP with a built environment that has the ability and capacity to meet future structural and operational changes. This will be achieved through:

- Generic design to minimise churn costs;
- Workstations that can be quickly and easily reconfigured;
- Open space planning; and
- Modular design that allows for cost effective removal or relocation of walls.

70 In addition, the AFP will look to upgrade the type and level of services and fit-out components to take advantage of design and technological improvements that may come onto the market during the planning stage of the project.

Staff Facilities

71 Staff facilities provided as part of the fit-out will include:

- large amenities and breakout spaces throughout the building;
- first aid rooms;
- parenting rooms;
- multi denomination prayer room
- quiet room;

- a carers' room to allow staff to meet temporary carer responsibilities while carrying on with their duties;
- kitchen facilities and tea making stations throughout the office floors;
- conference centre;
- café; and
- gymnasium.

Child Care Provisions

- 72 As part of its commitment to supporting work and family balance, the AFP is taking the opportunity to pursue an option for the provision of a childcare facility.
- 73 If pursued, the purpose of the Centre will be to provide children of AFP personnel with high quality care that is affordable for parents and to offer creative learning experiences that recognise the unique operating environment of the AFP. Such a facility would further enhance the AFP's ability to attract and retain staff.
- 74 The Child Care centre would be in a location that provides gives good access to natural light, provides outdoor play areas and good access for carers dropping off and picking up children.

Site Selection

- 75 Selection of the site was determined by its capacity to meets AFP's space needs and the building owners ability to meet critical time constraints imposed by the lease expiry of the current headquarters building commencing June 2007.
- 76 The site was selected following extensive market investigations, which included consultation with other departments who had carried out Expression of Interest campaigns for their own needs.
- 77 Risk assessment undertaken by AFP for the preferred option rated it low risk.

Site Description

- 78 The Edmund Barton Building site is Block 1, Section 4 and comprises 63,337m² GFA. The site is bounded by Kings Avenue, Broughton St, Macquarie St and Blackall St. (Refer Location Plan at Annex B)

Zoning and Approvals

- 79 The National Capital Plan details the objective of the land use policy for the EBB site, which allows for office development in general in addition to National Capital Use purposes that will allow the Central National Area (Barton) to achieve its maximum potential as an office employment area.

Master Planning and Site Planning

- 80 There are no significant changes to the layout of the current building on the site. Appropriate civil infrastructure works that may be required will be further developed in consultation with the NCA and Roads ACT.

- 81 Any proposed traffic arrangements for AFP access of the EBB will require approval by Roads ACT and are consistent with the traffic requirements of the Development Control Plan.

Codes and Standards

- 82 The base building refurbishment and fit-out will comply with all relevant requirements of the Building Code of Australia (BCA) including Disability Access, ACT Planning and Land Management and Australian Standards. It will also comply with the Protective Security Manual and security agency requirements.
- 83 An accredited Building Certifier will be engaged to certify compliance of the fitout works.

Planning and Design Concepts

- 84 The quality of building finishes and services are to where possible meet or exceed “A” Grade standard in accordance with the Property Council of Australia Office Quality Grade Matrix. Due to the age and heritage listing of the building, there are minor areas where compliance with the ‘A’ grade rating cannot be achieved. These areas do not limit the use or amenity of the building.

Materials and Finishes

- 85 The selection of materials and finishes used in the fitout will take into account the heritage status of the buildings, environmental impact, appearance, durability, functionality, ease of maintenance and cleaning while providing a pleasant environment for staff to work. Typical materials and finishes will include plasterboard painted with washable paints, fabric panels on workstation screens, feature colours on selected painted walls and plasterboard feature ceilings.

Technical Services

Mechanical

- 86 As part of the base building refurbishment by the building owner, the Heating, Ventilation and Air Conditioning (HVAC) system will be replaced by an energy efficient active chilled beam system. The HVAC system provides supplementary outside air and exhaust systems to meet Australian Standards. A tenant condenser water loop will be provided for supplementary cooling in tenant areas with higher than normal loads, such as conference and training rooms. Roof mounted cooling towers are designed to prevent the growth and spread of Legionella bacteria. The lease requires the property owner to maintain the system to Australian Standards and report to the tenant each month on the quality of the cooling tower water.

Hydraulic Services

- 87 Wet stacks and relief vents will be provided to enable tenant kitchen facilities to be located where required. Male and female showers, change rooms and lockers are located in the basement. Water saving initiatives includes water free urinals, toilet flushing using stored rainwater and water saving taps and shower roses.

Electrical and Data Services

- 88 The design of the total electrical load for the building will cater for base building and tenant requirements. Power and data cable reticulation is via cable risers in the core, dedicated tenant cable reticulation zone in the ceiling and three channels inside the removable spandrel panels. Power factor correction is provided for tenant and base building services.
- 89 New ICT equipment will be provided including telephone system, telephone handsets, network switches, fly leads and some audio visual equipment. Other equipment will be relocated from the existing buildings including PCs, lap tops, multi function devices and teleconferencing equipment.

Security System

- 90 The security design will be developed from the AFP's security risk assessment of the site and will meet the requirements of the Protective Security Manual, ASCI 33 and T4. The base building system will be upgraded to AFP requirements and will include an access control system, speed gates, security cameras, intruder alarm and intercom system.
- 91 All AFP staff will use photo identification security passes to access the premises. The passes will interface with proximity card readers at specified locations around the perimeter. Electronic access control features may include:
- electronic speed gates between the main foyer and the lifts and stairs;
 - vehicle and bicycle access control to parking areas;
 - loading dock and after-hours access control doors; and
 - external doors, including emergency exit doors, will be electronically monitored.
- 92 Internal areas with higher than normal security requirements, such as server rooms and will also have proximity card readers installed to restrict access to authorised staff only.
- 93 A security desk will be located in the foyer of EBB and staff will be required to sign-in and escort visitors.
- 94 Advice will be sought from relevant internal and external security agencies and incorporated into the base building and fitout design concepts. A security risk assessment will be conducted in line with the requirements of the Protective Security Manual and recommendations implemented as appropriate.

Fire Protection

- 95 The building brief requires provision of base building fire services in accordance with BCA and local Fire Brigade Authority requirements, including:
- Fire detection and suppression systems;
 - Smoke hazard management systems including zone smoke control and stair pressurisation;
 - Egress systems including fire stairs and emergency exit lights connected to an automatic testing system;
 - Materials with fire resistance in accordance with Type A construction per BCA; and

- An Emergency Warning and Intercom System for emergency communication with building occupants.

Acoustics

- 96 The building design incorporates measures to reduce noise in the work environment including new double glazed external windows, acoustic ceiling tiles, fabric panelling and floor carpet. Acoustic performance criteria will be incorporated into the fitout brief to ensure adequate noise insulation between offices, meeting rooms, training rooms and other work areas.

ESD Performance

- 97 The building's energy usage, including fitout, is designed to achieve a 4.5 star rating, under the Australian Building Greenhouse Rating (ABGR) scheme. The Greenlease schedule will be included in the lease. The building's objective is to achieve best practice in sustainable design. Adaptive re-use of the EBB as an existing building significantly reduces the amount of energy, water and materials used compared to the construction of a new building or extension of an existing building. The Green Star rating scheme, a voluntary holistic sustainable design-rating tool managed by the Green Council of Australia, has been used to guide the design process. The building's sustainable performance is designed to achieve a minimum 4 green stars with a target of 5.

- 98 The specific features that help achieve sustainability for the design are:

- high performance double glazing;
- internal blinds to office areas and meeting rooms;
- T5 lighting with flicker free ballasts and energy efficient light fittings with high efficiency reflectors;
- integrated lighting control incorporating office light zoning and switching to minimise unnecessary lighting;
- perimeter sensing to permit dimming of lighting adjacent to windows in times of strong sun light;
- active chilled beam air conditioning system;
- carbon dioxide sensing controls minimum air flows to achieve higher fresh air volumes when required;
- energy sub-metering enables monitoring and reporting of energy usage on part floors and allows operational tuning;
- dual flush toilets, water free urinals, AAAA tap and AAA shower rated fixtures and rainwater collection and reuse to reduce water consumption;
- rainwater collection in a 280 kilolitre tank located in the basement area of Wing 6 to allow water reuse for irrigation, wash down and cooling tower make up;
- multiple water metering to monitor water usage including intelligent metering to monitor reliance on the mains supply;
- bike spaces and lockers to encourage bicycle use;
- use of low Volatile Organic Compounds and low formaldehyde materials to minimise gas emissions and improve indoor air quality;
- zoned after hours air conditioning enable part floor usage;

- construction waste plan to ensure construction recycling;
- site storage and collection in designated areas to facilitate tenant recycling programs; and
- sustainable timber selection.

99 Both the landlord's and tenant's ongoing responsibilities for environmental management will be specified in the lease as specified in the Greenlease schedule. Operating procedures to reduce environmental impacts will include separation of different waste streams to enable the full extent of recycling possible, raising staff awareness on energy, water and waste management, regular auditing environmental performance, purchase of energy efficient equipment and ongoing adjustments to the engineering services to ensure they continue to operate in the most efficient manner.

Provision for People with Disabilities

100 The building brief requires access for people with disabilities to all areas of the office in accordance with the latest edition of Australian Standard AS1428.2 and the BCA.

101 The following facilities will be provided:

- The appropriate number of self contained accessible toilets per floor;
- Accessible shower facilities;
- All lifts accessible and facilities provided in accordance with AS1735.12;
- Accessible parking; and
- Lifts, access-ways, doorways and accessible toilets and showers will be sized to conform to BCA.

Occupational Health and Safety

102 The Agreement for Lease requires that the developer ensures that all contractors and sub-contractors comply with Occupational Health and Safety legislation appropriate to the building site.

103 The AFP will involve their internal OH&S specialists to assist in the selection of fitout furniture and fittings including adjustable desk height, shelving, work tables and compactus units, to ensure they are suitable for a wide range of staff to use safely.

104 Lighting and window treatments are specified to reduce glare and provide appropriate lighting levels for the task.

Landscaping

105 The proposed landscaping design for the EBB will aim to create a public domain, which is both functional, and a valuable amenity for the public. The design approach will provide innovative landscape solutions incorporating elements such as lighting, water, plantings and changes to ground levels to soften any bridges, bollards, reinforced concrete structures, ponds, etc that might be used to provide appropriate security solutions. Plants will be selected for low water usage and gardens will be irrigated from the rainwater tanks.

- 106 Perimeter security requirements that prevent unauthorised vehicle access will also be integrated into the landscape design based on the AFP's security risk assessment of the site. This will be designed in conjunction with the Seidler foundation to minimise visual impact on the facility.

Impact on the Local Community

- 107 When the AFP occupies the EBB there will be positive impact on the retail outlets in the vicinity once the EBB fitout for the AFP is completed in June 2009. No adverse impacts are anticipated.
- 108 The expected number of construction employees involved in the refurbishment and fitout of the EBB will average 100 across the life of the project.

PROJECT COSTS

- 109 The cost for the proposed fitout works is estimated at \$115 million (exclusive of GST) and includes for the cost of the fitout, infrastructure, consultant fees, design and construction contingencies and forecast escalation to completion. The estimate includes the cost of higher than normal security provisions across the entire facility with particularly high cost security requirements in many areas of the building. The estimate also includes the cost of staff relocations, loose furniture, fittings and equipment.
- 110 The project cost plan for the fitout of EBB has been developed in conjunction the Fit for Purpose Requirements and the Base Building Brief.
- 111 The works will be funded from AFP internal reserves. This has been approved by the Prime Minister.

PROJECT DELIVERY

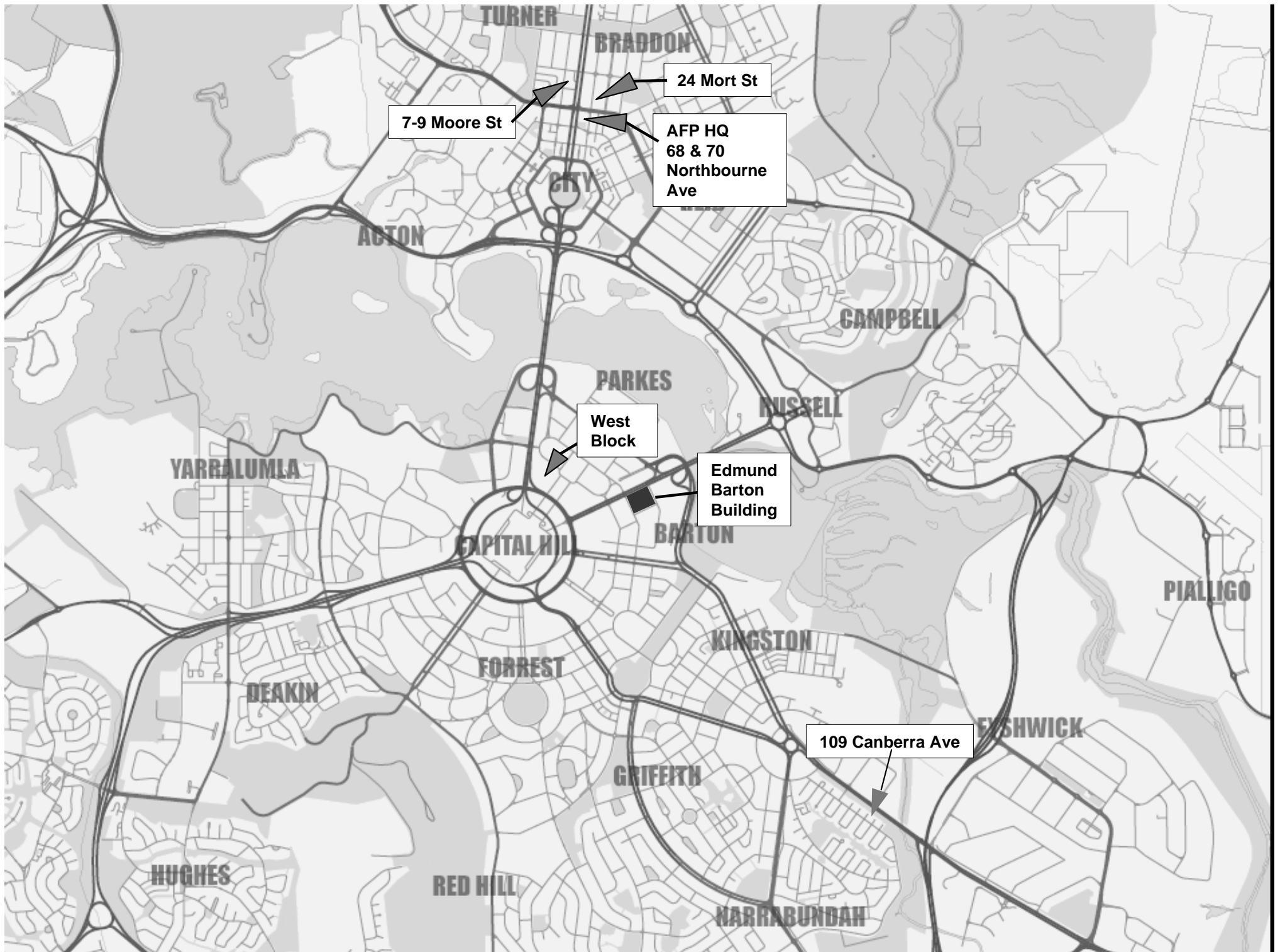
- 112 It is proposed that the project be delivered by Managing Contractor form of delivery. An integrated fitout model is being investigated model is being investigated model is being investigated model is being investigated to ensure EBB will be ready for occupancy progressively beginning July to December 2009.

CONSTRUCTION PROGRAM

- 113 The outline programme for construction of the proposed works is:

- | | |
|----------------------|-------------------------------------------|
| ▪ Referral to PWC | June 2008 |
| ▪ PWC Hearing | September 2008 |
| ▪ Construction start | March 2009 |
| ▪ Works completed | Progressively June 2009 to December 2009. |

LOCATION OF EXISTING LEASES



7-9 Moore St

24 Mort St

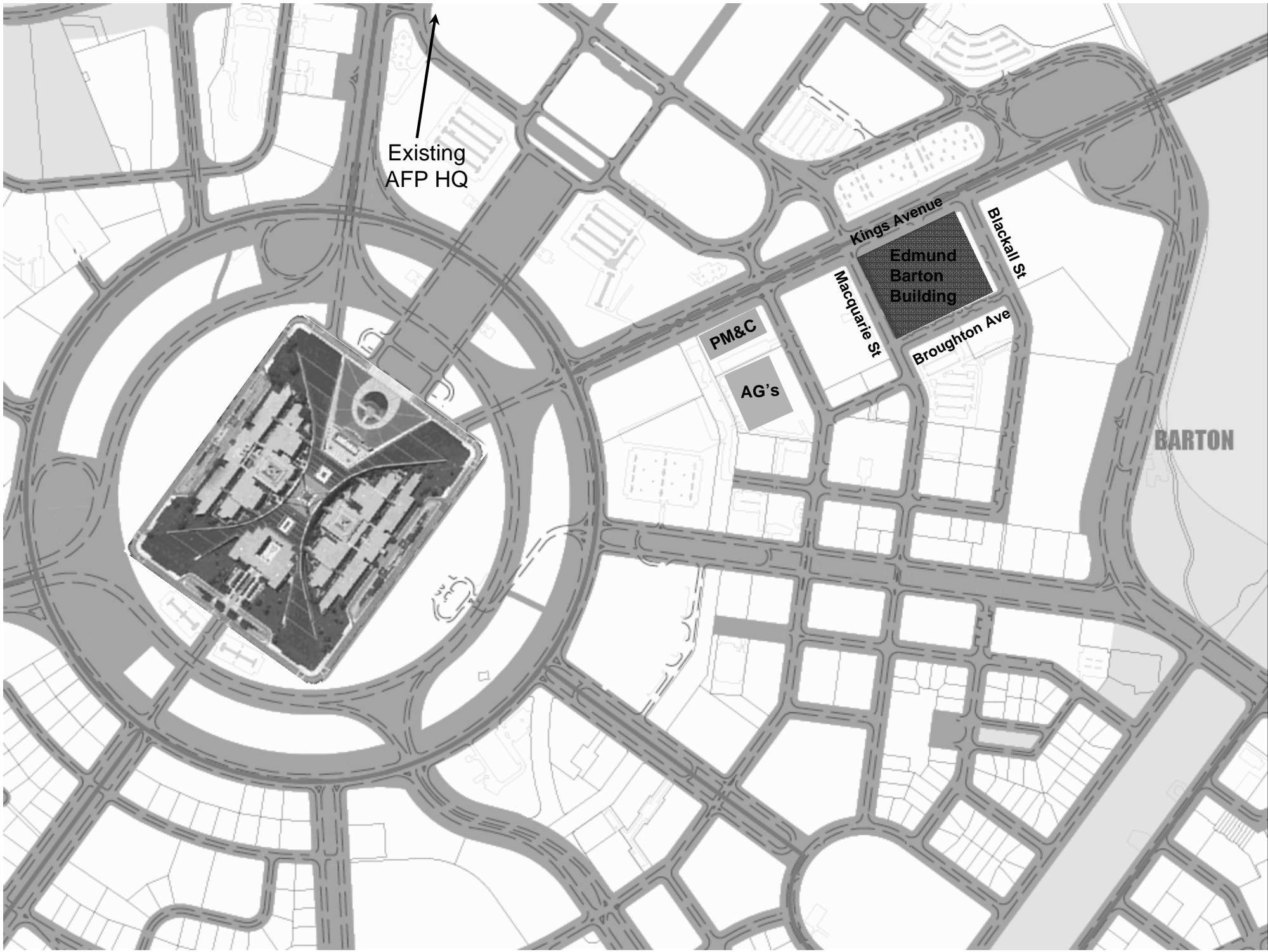
AFP HQ
68 & 70
Northbourne
Ave

West
Block

Edmund
Barton
Building

109 Canberra Ave

**EDMUND BARTON BUILDING
LOCATION PLAN**



Existing
AFP HQ

Kings Avenue

Blackall St

Edmund
Barton
Building

Macquarie St

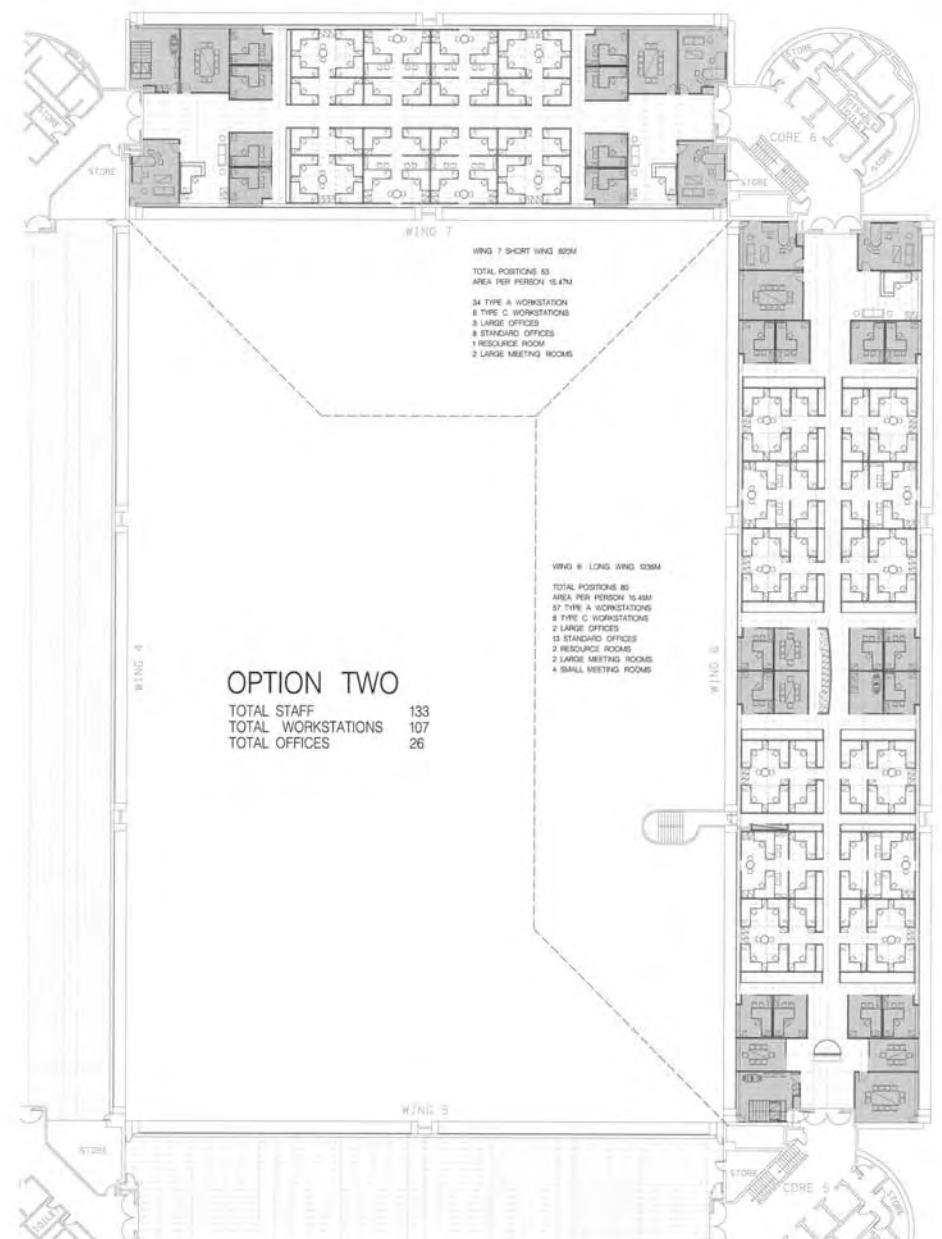
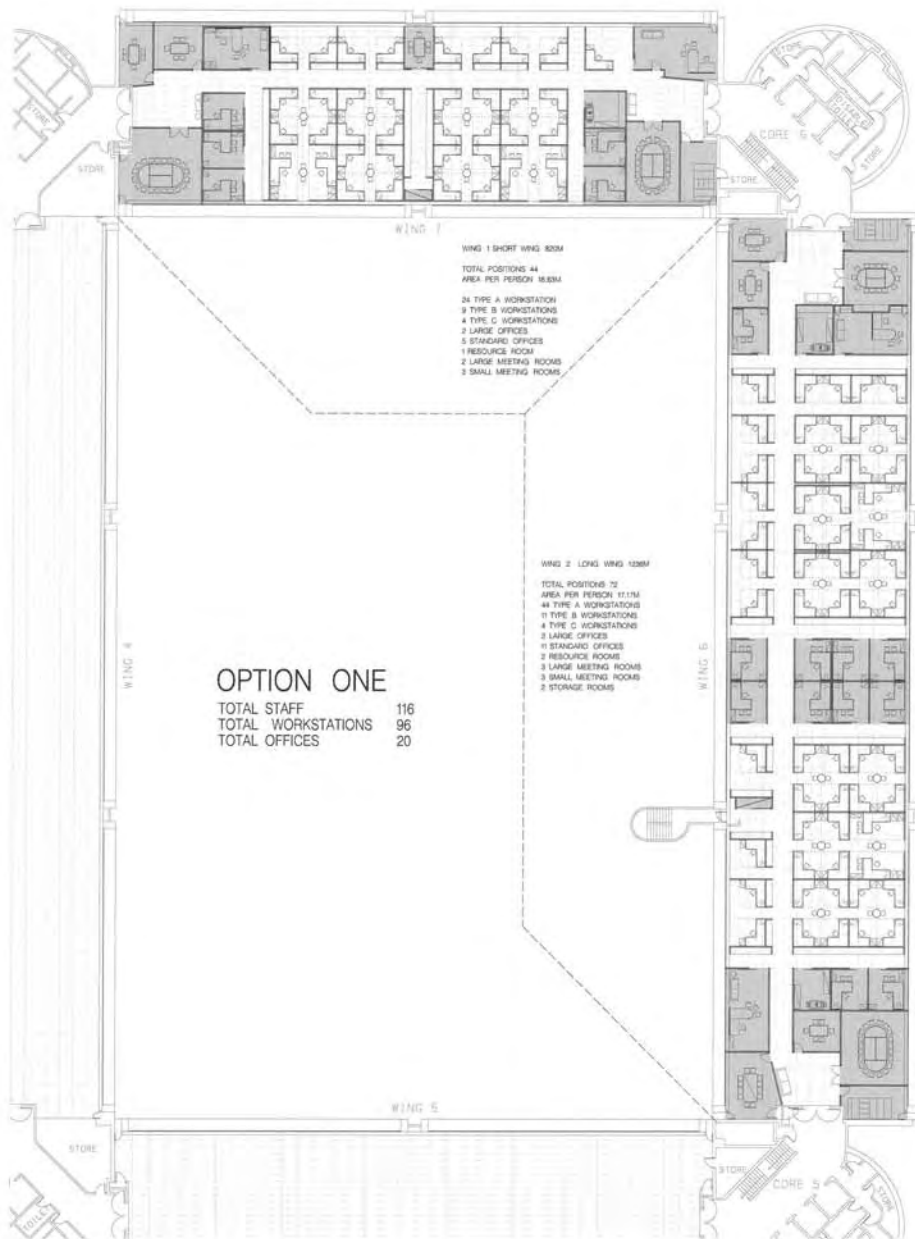
Broughton Ave

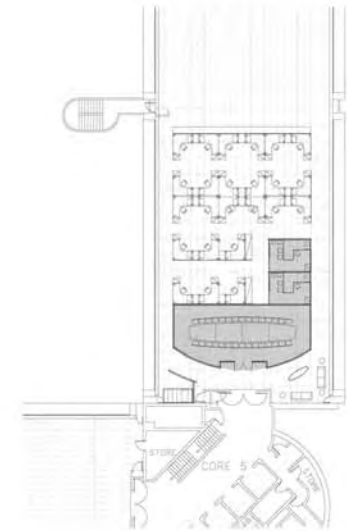
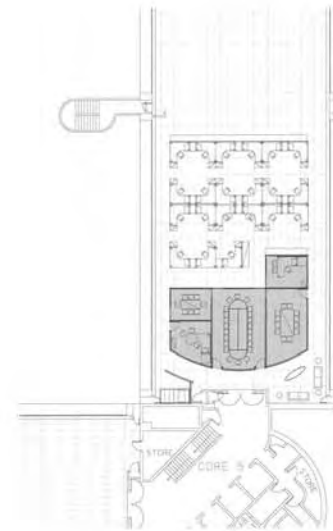
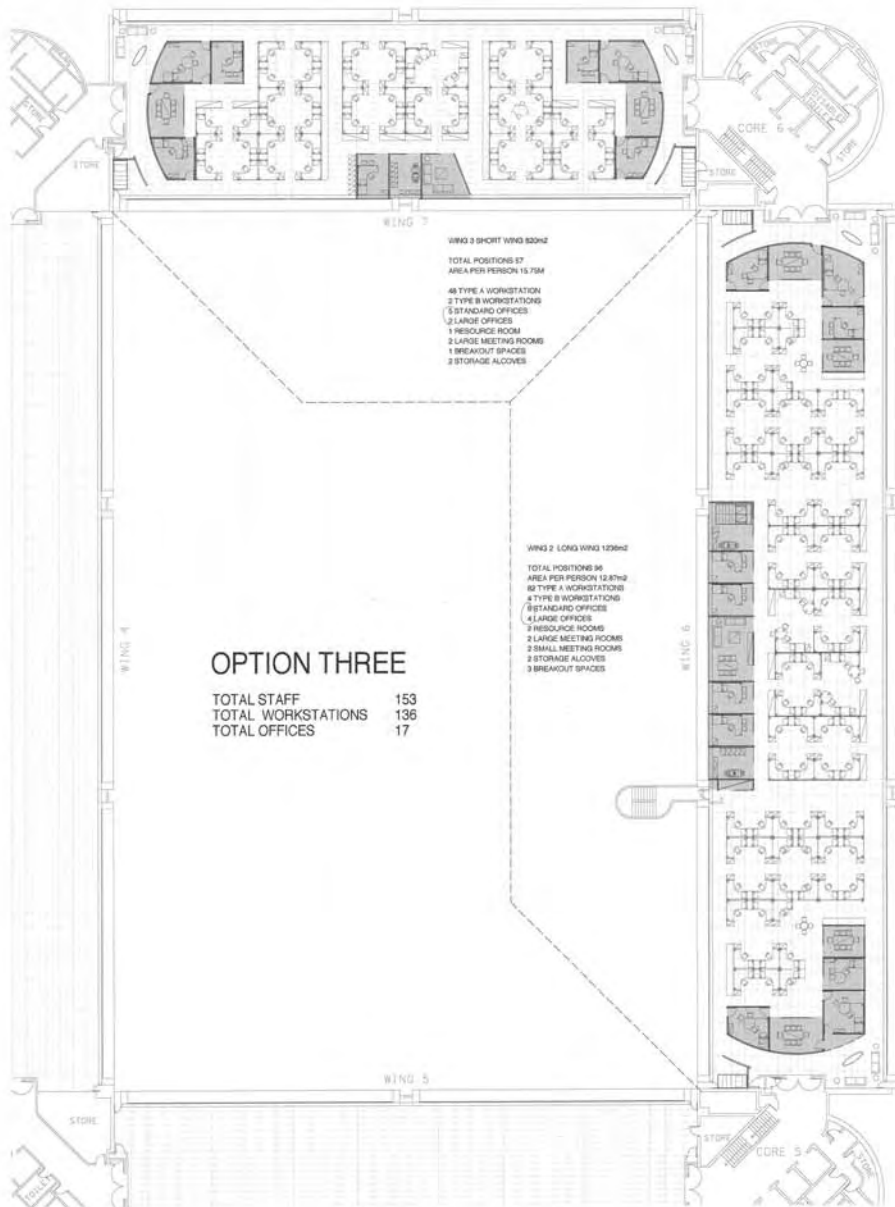
PM&C

AG's

BARTON

TYPICAL FLOOR LAYOUT OPTIONS





CONCEPT DESIGN RENDERINGS



Outdoor Cafe Area Concept



Staff Amenities Concept



Macquarie Street Foyer



Basement Floor Office Concept



Ground Floor Foyer Concept



Typical Floor Lift Lobby