



Submission No. 01

(ATO Box Hill)

Date: 08/05/12

**SUBMISSION 1
MAIN DOCUMENT INCLUDING SITE DRAWINGS**

**TO THE
PARLIAMENTARY STANDING COMMITTEE
ON PUBLIC WORKS**

**PROPOSED FIT OUT OF NEW LEASED
PREMISES**

FOR THE AUSTRALIAN TAXATION OFFICE

AT

**THE SITE KNOWN AS
913 WHITEHORSE ROAD
BOX HILL, VICTORIA**

SUMMARY

The Australian Taxation Office (ATO) has a substantial presence (1292 staff) in the Box Hill region in Victoria. ATO are currently located in a building that was constructed for the ATO in 1992 and have occupied the building since its completion. The current building located at 990 Whitehorse Road has a lease in place that expires on the 30th June 2014. The current whole of building National Australian Built Environment Rating Scheme (NABERS) energy rating is 3.5 stars, which is under the Energy Efficiency in Government Operations (EEGO) policy which requires 4.5 star NABERS energy rating for new leases over 2,000 square metres.

The ATO sought expressions of interest on the 21st April 2011 from the market to establish whether there might be more suitable accommodation to meet its future needs. As a result of that initiative, the ATO identified new premises to be constructed in Box Hill at 913 Whitehorse Road, for collocation of staff currently located in 990 Whitehorse Road. In addition to being in close proximity to the currently occupied site on 990 Whitehorse Road, 913 Whitehorse Road was the most suitable location offering prime accessibility to surrounding developments comprising mostly of commercial offices and retail.

The new building is a proposal by Grocon Developments, to be constructed by Grocon Constructions, and offers up to approximately 19 100 square metres of high quality office space in a building designed to meet a 5 star NABERS energy rating and a 5 star Green Building Council of Australia (GBCA) Green Star rating. In comparison to the existing building, this is a reduction of over 1,000 square metres of net lettable area which will provide financial efficiencies to the ATO. This reduction

will also allow the ATO to proactively manage space allocation to meet the Commonwealth Property Management Framework guidelines.

The ATO propose to be the sole occupant of the office building with the remainder of the ground floor available for future retail outlets. The building offers considerable operational savings through the implementation of high energy efficient technologies, and maintaining a single site for ATO staff located in the Box Hill office.

As the integrated fit out for 913 Whitehorse Road is regarded as Public Works under the *Public Works Committee Act*, this submission is brought before the Committee for consideration.

It is envisaged that project costs will be in the order of \$36.0 million excluding GST, which equates to a rate of \$1,860 per square metre excluding GST. This is considered to be in the medium range for costs associated with ATO and Commonwealth fit outs.

Occupancy of the building is expected to commence from 2 April 2014, subject to ATO business activities. Whilst the leases for the current buildings ATO occupy expire in June 2014, the ATO has the option to extend this lease if occupancy of the new premises was delayed. This would not result in any additional costs to the Commonwealth of Australia.

The development at 913 Whitehorse Road will conform to all relevant building codes and practices and the ATO is paying high regard to compliance with health, safety, disability and environmental codes. The occupation of the buildings will continue to stimulate growth in the Box Hill region and will generate local employment through the construction phase.

In view of the above, the ATO brings this submission before the Committee for endorsement.

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1. IDENTIFICATION OF NEED

1.1 Objectives

1.1.1 The current arrangements whereby the Australian Taxation Office (ATO) is located at 990 Whitehorse Road expires on the 30th June 2014, and does not currently achieve the Energy Efficiency in Government Operations (EEGO) policy which requires 4.5 star NABERS energy rating for new leases over 2,000 square metres.

1.1.2 Our objective is to lease and fit out a building that maintains the colocation of staff in the Box Hill office, giving us the opportunity to implement collaborative work practices, uniformity of workspace and administrative efficiencies.

1.1.3 The role of the ATO is to manage and shape taxation, excise and superannuation systems that fund services for Australians, giving effect to social and economic policy. Through these systems the ATO is the Australian Government's principal revenue management agency. In doing this the ATO addresses broad issues affecting Australia's revenue system, such as aggressive tax planning, persistent tax debtors, globalisation, non-compliance and the cash economy.

1.1.4 The ATO also supports the delivery of community benefits and roles in other services including:

- (a) Private Health Insurance;
- (b) Family Assistance;
- (c) Energy Grants Credits Scheme;
- (d) Valuation Services; and
- (e) Cross-Agency Support such as working with Centrelink to reduce benefit fraud, with the Child Support Agency (CSA) to ensure income transfer for the care of children, and with the Australian Bureau of

Statistics (ABS) to reduce costs to the community of collecting statistical data.

- 1.1.5** The ATO is currently located at 990 Whitehorse Road. The lease on this site is due to expire as listed in Table 1.

Table 1: ATO Box Hill region portfolio

Property name/ address	Area (m²)	Lease Expiry
990 Whitehorse Road	20,155	30 th June 2014
Total area	20,155	

1.2 Background

- 1.2.1** The ATO currently leases 20,155 square metres of office space at 990 Whitehorse Road, Box Hill.
- 1.2.2** The lease over the existing buildings will expire in June 2014. It is proposed that the new office accommodation will be in place to meet the expiring lease in 2014.
- 1.2.3** 990 Whitehorse Road was constructed for the ATO in 1992 and the ATO have been in occupation since its completion. The current building is ageing and requires extensive upgrades and a new fit out to be able to meet the ATO's current building specifications. The existing building does not comply with the whole of building National Australian Built Environment Rating Scheme (NABERS) energy rating, which is under the Energy Efficiency in Government Operations (EEGO) policy, or with the Department of Finance and Deregulation Fit-out density target. UGL Services on behalf of the ATO have been unsuccessful in discussions with the current building owner

regarding building upgrades if the 5 year option under the lease was to be taken.

1.2.4 Based on the age and performance issues of the existing site, the ATO requested expressions of interest (EOI's) to be submitted for the provision of office accommodation in the East Suburban Melbourne area. In line with Commonwealth Procurement Guidelines (CPGs), the procurement exercise was finalised and the preferred proposal was to construct new premises at 913 Whitehorse Road, Box Hill, Victoria.

1.2.5 The recommended proposal for a new site meets ATO Location Plan and Property Management Plan guidelines, providing:

- (a) Modern, A-Grade office space for ATO staff, accommodating like-for-like staff numbers;
- (b) Close proximity to public transport via Box Hill railway station and light rail networks;
- (c) Sound environmental credentials that meet the requirements under the EEGO policy;
- (d) Fit out that meets Department of Finance and Deregulation density requirements;
- (e) Value for money, and a good financial outcome for the ATO;
- (f) Alignment with the endorsed strategies in the ATO Location Plan that recognise the long-term business need to maintain a presence in east suburban Melbourne; and
- (g) A maintained skilled, settled workforce in the area to continue to provide business functionality and offer appropriate services to clients.

1.2.6 The ATO has committed to an ongoing business requirement to maintain a presence in east suburban Melbourne. Given that the lease in the current building is expiring in the near future, there is a significant operational risk if the ATO does not commit to a course of action.

1.2.7 The current site has a NABERS whole of building rating of 3.5 stars, and does not meet the required density ratio delivering 17.42 square metres per occupied work point.

1.2.8 As there is an ongoing need to accommodate staff in the Box Hill region, the ATO developed a strategy to explore potential accommodation options within this east suburban Melbourne region. The strategy was to test the market within an Expression of Interest process providing maximum opportunity to consider all possible options and enable the ATO to achieve the best value for money outcome.

1.3 Market test

1.3.1 On the 21st April 2011 UGL Services acting on behalf of the ATO, requested expressions of interest (EOI's) to be submitted for the provision of office accommodation in the East Suburban Melbourne area. Eight responses were submitted by the due date of 27th May 2011.

1.4 Evaluation process and methodology

1.4.1 An Evaluation Committee (EC) was established to consider, in detail, final submissions and a methodology was designed to objectively assess the best option on a value for money basis.

1.4.2 The EC assessed the EOI's against essential criteria such as location, floor plate size, overall area, building quality, suitability for client operations, and indicative rental. EOI's failing to meet any of the essential criteria were excluded from further consideration.

1.4.3 The remaining EOI's were short-listed and presented to the ATO Property branch for endorsement. This process resulted in consideration of four buildings for Final Proposals. The following proposals were considered:

- (a) 545 Station Street, Box Hill;

(b) 990 Whitehorse Road, Box Hill (existing site);

(c) 860 Whitehorse Road, Box Hill; and

(d) 913 Whitehorse Road, Box Hill.

1.4.4 On 26th July 2011 UGL Services called for Final Proposals from the four proponents short-listed as part of the EOI process. Three final proposals were received on the 26th August 2011. The developers of 545 Station Street, Box Hill did not submit a final proposal.

1.4.5 The evaluation methodology of the Final Proposals considered:

(a) A non-financial assessment of individual proposals that incorporated technical and non-technical matters (e.g. compliance to building specifications, building performance, efficiency of floor plate, commercial terms etc). This was evaluated on a scale of one to ten and weighted across the various categories, with ten being the best and one being the lowest.

(b) A comparative assessment of the financial terms of each proposal on a Net Present Value (NPV) basis. The underlying assumptions for the NPV analysis were:

i. It was considered appropriate to review the options based on a 15 year lease as this seemed most appropriate operationally.

ii. Car Parking and storage were included in these requirements.

iii. NPV analysis only includes Lease payments, incentives and professional fees on fit out and make good where required.

iv. For NPV purposes, incentives were treated as cash inflows in the first year.

v. NPV calculations based on the Net Lettable Area (NLA) supplied in the proposals.

(c) A best value for money assessment taking into consideration both financial and non-financial aspects detailed at (a) and (b) above.

1.4.6 The three proponents were invited to present on their proposals.

1.5 Preferred proponent

1.5.1 Following the Expression of Interest and a Request for Final Proposal process, the Grocon proposal at 913 Whitehorse Road was considered the best value for money option and held significant advantage on a financial and non-financial basis with a higher score, including:

- (a) The considerable advantages of moving to a single new building and the opportunities that provides in terms of building design, performance, long term viability and maintenance;
- (b) The avoidance of refurbishment works at significant cost and disruption should the existing building be re-leased. There would also be a need to acquire staging space at considerable cost during the refurbishment process;
- (c) The advantage to design floor plans and fit out that specifically meet the needs of the ATO as the new building is designed and constructed.
- (d) Expected more efficient building performance and infrastructure that will generate savings in running and energy, security and cleaning costs in the long term;
- (e) The ability to relocate staff seamlessly into new accommodation, minimising disruption to ATO business operations; and
- (f) The provision of a long-term solution for the ATO's property requirements for the next 15-25 years.

1.5.2 This proposal requires the ATO to obligate itself to a gross lease arrangement for the property upon completion of the building with terms consistent with those agreed at the time of entering into the lease, with the ATO funding the cost of fit out.

1.5.3 Other proposals were excluded for a range of reasons including:

- (a) comparative cost of the proposals;
- (b) technical response levels of the proposals;
- (c) compliance to legal documentation;
- (d) compliance with ATO base building requirements; and
- (e) there was significant doubt as to the adequacy of some of the building upgrades being offered in relation to existing buildings.

1.6 Lease negotiations for preferred proponent

1.6.1 Following the rigorous assessment process which identified 913 Whitehorse Road, Box Hill as the option which provided the best value for money, the ATO Executive agreed to instruct UGL Services to enter into negotiations with Grocon to identify commercial terms that would be agreeable to both parties. Consequently, Grocon was advised by UGL Services that it was being considered as the preferred proponent, subject to certain clarifications, for the provision of up to 19,100 square metres of office accommodation, known as 913 Whitehorse Road, to serve to accommodate ATO Box Hill staff. The appointment was subject to the satisfactory conclusion of negotiations on commercial terms and gaining necessary Government approvals, including Public Works Committee approval. As significant benefits would be achieved by the ATO, advice was given that a 15 year lease term would be pursued.

1.6.2 All financial aspects, including approval pursuant to Regulation 10 of the Financial Management and Accountability Act (FMA Act), have been resolved. All commercial terms and conditions have been successfully negotiated and an Agreement For Lease for the premises was executed on 22nd December 2011.

1.7 Submission to Public Works Committee (PWC)

- 1.7.1** When the ATO originally sought expressions of interest from the market, it stated that it would require the right to integrate the fit out of the selected accommodation simultaneously with the construction of the base building to reduce cost and risk, should a building being planned or under construction be considered. This requirement was reflected in draft lease documentation that was sent to all parties who were asked to submit Final Proposals, and was a criterion in assessing the Final Proposals. The intention of this approach was to significantly reduce risk to the ATO in terms of cost and time.
- 1.7.2** As a new construction has been selected, the need to pursue an integrated fit out has become paramount. Concept design for the base building of 913 Whitehorse Road Box Hill is being finalised, affording the ATO the opportunity to fully integrate the design and construction of the ATO's fit out with the design and construction of the base building, and subsequently save the ATO time and money in the delivery of the fit out.
- 1.7.3** As the fit out for the proposed accommodation is regarded as being 'public works' for the purposes of the *Public Works Committee Act*, noting it will be in excess of the PWC threshold, this submission has been referred to the PWC for its consideration.

1.8 Proposed outcome

- 1.8.1** The outcome from this approach will be that the ATO will be co-located in purpose-built efficient accommodation that will enable it to meet its obligations to Government in the long term. This action will address the current deficiencies and inadequacies of the current arrangement of a building only achieving a NABERS energy rating of 3.5 stars, a lack of meeting, conference

and training spaces and will provide significant administrative and environmental efficiencies to both management and staff. It is expected that staff will be allocated space in line with the current Department of Finance and Deregulation density targets for new buildings.

1.9 Description of proposed new premises

- 1.9.1** The new building will be located at 913 Whitehorse Road, Box Hill. The building has a majority of office space of which the ATO will be the sole tenant, and retail and hospitality style uses on the ground floor and associated car parking.
- 1.9.2** 913 Whitehorse Road, Box Hill will be a commercial office development which based on current plans comprises of 13 levels, providing office space, associated car parking, and ground level retail operations. 913 Whitehorse Road, Box Hill will provide the ATO with approximately 19,100 square metres of net lettable area over approximately 13 floors. The large floor plates ranging from 909 square metres to 1,550 square metres will provide the ATO with flexibility and efficiencies in the allocation of space.
- 1.9.3** As this project develops, details covering the exact number of floors and net lettable area may change to reflect the requirements of the Whitehorse City Council and conditions on the planning permit allocated. No changes will be made without full agreement from the ATO.
- 1.9.4** Within the Agreement for Lease contract with Grocon there is a construction tolerance allowance which details an acceptable minimum net lettable area of 18,750 square metres, and a maximum net lettable area of 19,100 square metres.

1.9.5 It is proposed that the ATO will occupy floor 1 to 13 of the building being built over a three level basement. The ATO will also occupy a portion of the ground floor for a secure lobby entrance to the building.

The Building is comprised of:

- (a) A combination of Property Council of Australia “A” and “Premium” grade standards;
- (b) Provision for 50 car parking spaces will be made for the ATO within a secure basement. Disabled access parking will be provided in the building;
- (c) Approximately 500 square metres of storage area; and
- (d) Retail tenancies on the ground floor.

1.9.6 913 Whitehorse Road is owned by Grocon Developments Pty Ltd.

1.9.7 The site is strategically located in the Box Hill region with prime accessibility.

1.9.8 The site is exceptionally well located on Whitehorse Road with surrounding development comprising mostly commercial offices and retail. The ATO’s current building is also located on Whitehorse Road.

1.9.9 The site is located 280 metres from the currently ATO occupied 990 Whitehorse Road building.

1.9.10 The site itself has excellent road frontage along Whitehorse Road.

1.9.11 913 Whitehorse Road is well serviced by public transport. It is positioned adjacent to the 109 tram terminus.

1.9.12 The ATO is looking to create maximum flexibility in how it uses this accommodation by producing consistent workspaces to enable staff flexibility. The adoption of universal planning principles will provide this flexibility

through the easy change of facility components and the provision of multi-purpose facilities.

1.9.13 Fit out specifications are being developed in consultation with the relevant experts to ensure that all essential ATO and legislative requirements are met. Fit out design and specification will meet the disabilities legislation both in respect of access for clients and staff including wheel chair access to the building and office areas, door widths and height, lift arrangements, parking, toilets and access to counter facilities.

1.9.14 The fit out design is predominantly open plan with modular workstations supported by enhanced meeting capacity, breakout areas and support facilities. Offices and formal meeting areas will be located in the core of the building to maximise the use of natural light for the majority of staff. These offices and meeting areas are modular and fully interchangeable as business requirements dictate.

1.10 Environmental issues

1.10.1 The proposed building works will comply with and exceed the Commonwealth guidelines relating to energy efficient buildings and meet a 5 star NABERS rating and a 5 star Green Star rating. Fit out of the building will also be designed to meet at least a 4.5 star NABERS rating.

1.10.2 The Green Lease Schedule and the Department of Climate Change and Energy Efficiency submission form are attached in Annexure C.

1.10.3 Development of the site will:

- (a) have no significant impact on the natural or human environment;
- (b) encourage improved utilisation of existing public facilities and transport infrastructure;

- (c) make use of existing engineering services including water, sewerage and storm water in the area; and
- (d) have a positive effect on the local economy via the creation of jobs during base building construction and fit out works.

1.10.4 913 Whitehorse Road will contain high performance building structures and application of sustainable design principles will ensure a high energy rating throughout the buildings' life cycle.

1.10.5 The following are specified in the building brief to minimise energy usage and operating costs without a reduction in accommodation standards:

- (a) The building will equal or exceed the required NABERS rating of 4.5 stars. Current projection is a 5 star NABERS rating;
- (b) Floor plan layouts are configured to enhance the level of natural daylight into office floors;
- (c) The Building Management System will monitor and control lighting, mechanical services, energy, lifts and water supply;
- (d) High efficiency glazing is to be provided;
- (e) High efficiency active chilled beam air conditioning technology;
- (f) Fluorescent lighting is to have electronic ballasts and high efficiency tubes;
- (g) Lighting is to be controlled by an electronic system to reduce energy use, especially in unoccupied areas and out-of-hours; and
- (h) Acoustic efficient levels that meet or exceed current standards.

1.10.6 To maximise the Ecologically Sustainable design impact of 913 Whitehorse Road the following have been included in project delivery:

- (a) Stormwater recycling;

- (b) Access to natural light is to be maximised while avoiding direct sun penetrations into the building;
- (c) Facilities such as bicycle storage, showers, change rooms and lockers are to be provided to encourage staff to ride or walk to work;
- (d) Increased reliance on renewable materials;
- (e) Emissions minimisation;
- (f) Source control of pollution and waste during construction;
- (g) Efficient energy use; and
- (h) System maintenance and waste avoidance.

1.10.7 The Developer has included the provision of high efficiency natural gas cogeneration equipment, with waste heat recovery. This will supply the building with electricity as well as additional hot water.

1.10.8 The Developer has also included the provision for sun tracking photovoltaic solar panel, and rooftop wind turbines for additional electrical generation.

1.10.9 The ATO has replaced its computer monitors with flat screen LCD monitors that use significantly less power and give off less heat. This places a significantly lower heat load on the air-conditioning system with resultant lower energy consumption and costs.

1.10.10 Water usage reduction measures to be provided in the building design include:

- (a) Rain water collection and re-use;
- (b) Dual flush cisterns for all toilets;
- (c) Flow restriction devices to be fitted to all fixtures; and
- (d) Auto flushing urinals.

1.10.11 The lessor's responsibility for ongoing environmental management of the building is specified in the lease.

- 1.10.12** Individual after-hours air-conditioning zones will be operated by push on/off buttons. This allows the system to provide only as much heating/cooling as required outside standard operating hours (7:00am to 7:00pm business days).
- 1.10.13** Provision of one (1) supplementary cooling water loop allows for 24 hour cooling of specialised communications areas without the need for the main chillers to be running at full capacity.
- 1.10.14** The ATO fit out design is to achieve at least a 4.5 star NABERS rating in the delivery of its fit out in this building.

1.11 Heritage considerations

- 1.11.1** There are no known heritage issues that are required to be addressed with this proposal.
- 1.11.2** The building will conform to the requirements of the Environmental Protection Biodiversity Conservation Amendment Act 2003.

1.12 Details of organisations consulted

- 1.12.1** A formal consultative approach has been adopted to provide expert advice in relation to various aspects of the project. The following agencies and businesses have been consulted to date:
- (a) Department of Finance and Deregulation;
 - (b) Maddocks (Legal Services);
 - (c) UGL Services (Property Leasing, Project Management and Facilities Management);
 - (d) Small Quinton Coleman (Architects);
 - (e) PTID Environments (Architects);
 - (f) Northrop Engineering (Services Engineers);

- (g) Corporate Scorecard;
- (h) Trevor Main (Quantity Surveyors); and
- (i) Box Hill City Council (City of Whitehorse).

1.13 Amount of revenue, if any, derived from the project

1.13.1 The operating cost benefits from the reduction in energy consumption and maintenance of aging fit out will also contribute to the overall savings.

1.13.2 There is no direct revenue from this project.

2. TECHNICAL INFORMATION

2.1 Location

2.1.1 The ATO fit out is part of the 913 Whitehorse Road, Box Hill development. Annexure B provides a site diagram.

2.2 Scope of work

2.2.1 The ATO will lease office accommodation for fifteen years with two five-year options and will be undertaking an integrated office fit out.

2.2.2 The works include:

- (a) Base Building – Integration of services into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services;
- (b) Supplementary air-conditioning in those rooms with higher than normal cooling and ventilation requirements including larger meeting rooms, training rooms, computer rooms and amenities rooms;
- (c) A lighting control system to reduce energy consumption in tenant areas including the ability to automatically turn off lights in unoccupied rooms and to provide reduced lighting levels when appropriate, such as reduced lighting levels for access after-hours. Some additional lighting will be provided as required in partitioned rooms;
- (d) Data cabling throughout the tenant areas including phone and computer outlets at each work point. The cabling infrastructure will be designed to cater for future capabilities;

- (e) Tenant fit out above base building will be undertaken to conform to the ATO's operational requirements including security. These include door hardware and electronic access control at the main entrances, other entrances, exits, vehicle access points and internal areas with higher than normal security needs;
- (f) Supplementation of the base building fire services where required as a result of the fit out works to ensure compliance with relevant codes. These services include additional exit lights, fire detection and sprinkler supplementation as necessary. Highly sensitive fire detection equipment will be installed in the computer rooms;
- (g) Architectural designed office accommodation including construction of reception areas, a security alarm system, an electronic control system, general office fit out and open plan work areas;
- (h) Standardised office sizes of:
 - 32 m²
 - 16 m²
- (i) Generic workstations;
- (j) The vast majority of offices and meeting rooms to be constructed in the central cores so as not to limit natural light from external windows;
- (k) Breakout spaces, quiet rooms and casual meeting space;
- (l) Computer rooms built to specification;
- (m) Storage facilities;
- (n) Conference and training facilities;
- (o) First Aid rooms;

- (p) Amenities areas;
- (q) Kitchens;
- (r) Showers and lockers; and
- (s) Secure areas (to conform to ASIO T4);

2.2.3 Space allowances for individual work points will be reviewed as part of a full requirement analysis to bring the ATO standard workstation design to meet the requirements of the Department of Finance and Deregulation.

2.2.4 The building design and fit out will enable the ATO considerable flexibility to meet its ever-changing accommodation requirements. This will be achieved through:

- (a) Work points that can easily and quickly be reconfigured without disturbing productivity;
- (b) Maximising the use of open plan areas;
- (c) Ensuring the enclosed areas are capable of being altered easily to allow for future change, e.g. the utilisation of modular meeting room design so that 2 small meeting rooms will also satisfy the requirements of 1 large meeting room with minimal additional works;
- (d) Building services that are located to allow for repositioning of walls, work point layouts and accommodation changes in technology; and
- (e) A robust security system that protects ATO information, people, other assets and operations.

2.2.5 Conceptual Floor plans have been finalised. See Annexure B.

2.3 Zoning and approvals

2.3.1 Following is the status of approvals for the proposed new premises to be occupied by the ATO.

2.3.2 Planning approval on this site is the responsibility of the City of Whitehorse. The site has a current application in for a Development Approval. Additional

Building rules consent will be staged and applications made by the Developer as required to meet the construction program.

2.3.3 Approval from other relevant authorities for works approval will be sought as required.

2.3.4 Fit out of the building will be integrated with base building construction and managed by Grocon. Provisions have been made for the cost of the fit out in the ATO Budget in financial years 2011/12, 2012/2013 and 2013/2014. A recommendation to Parliament to proceed with the fit out of the building is thereby sought from the Public Works Committee.

2.4 Land acquisition

2.4.1 The site is owned by Grocon Developments (Box Hill) Pty Ltd.

2.4.2 Grocon Developments (Box Hill) Pty Ltd will be developing the site.

2.5 Codes and standards

2.5.1 The fit out will comply with all statutory requirements including the Building Code of Australia (BCA), and the relevant Australian Standards. The ATO will ensure that all relevant codes and standards are included in design and building briefs, including the National Code of Practice for the Construction Industry, and the guidelines from the Office of the Federal Safety Commissioner.

2.6 Planning and design concept

2.6.1 The quality of building finishes and services shall be designed to a combination of Property Council of Australia "A" and "Premium" grade standards in accordance with the Property Council of Australia Office Quality Grade Matrix.

- 2.6.2** Security and Data Cabling advice from relevant security experts will be sought and incorporated into the design concept.
- 2.6.3** The building fabric will be composed of transparent façade elements. The building is to be designed to meet environmental expectation now and into the future. The building features include:
- (a) High performance low 'E' glare resistant and low reflectivity glazing;
 - (b) Sun shading devices to the North and eastern facades;
 - (c) Thermal controls; and
 - (d) A central services core.
- 2.6.4** Generally a perimeter column grid with minimal freestanding columns is planned for 913 Whitehorse Road. The floor plates in 913 Whitehorse Road are easily divisible to suit any fit out.
- 2.6.5** Carpet tiles will be fitted to general office areas. High quality ceramic tiles to the entry lobbies.
- 2.6.6** General engineering service installations will specifically address the following criteria:
- (a) Proven reliability and performance;
 - (b) Ease of maintenance and replacement;
 - (c) Energy efficient;
 - (d) Environmental responsibility and cost effectiveness;
 - (e) Flexibility for churn works; and
 - (f) Minimum noise and vibration characteristics.
- 2.6.7** Work points will be based on individual modular workstations that preserve views and light penetration into the building. Work points more efficiently cater for the installation and operation of new technologies. They significantly utilise the floor areas more effectively and provide opportunities for accommodating additional facilities such as open meeting areas and common spaces.

2.7 Mechanical Services

2.7.1 Mechanical Engineering Services will be based on the following principles:

- (a) Minimum noise and vibration characteristics;
- (b) Reasonable maintenance costs;
- (c) Proven design;
- (d) Reliability;
- (e) Durability;
- (f) Ease of maintenance without entry to tenant areas;
- (g) Ease of replacement;
- (h) Efficiency of operation; and
- (i) Environmentally sustainable principles.

2.7.2 The base building air conditioning system at 913 Whitehorse Road will be utilising active chilled beam technology to provide high energy efficiencies.

2.8 Hydraulic Services

2.8.1 Hydraulic Engineering Service requirements will include the following provisions:

- (a) Domestic cold water reticulation serving all fixtures and required back flow prevention in each case;
- (b) Domestic hot water with energy efficient pre heat independent of the system serving the mechanical services installation;
- (c) Suspended sanitary drainage to all base building wet areas;
- (d) Branched metered valve connections for cold water supply at service core areas for tenant future connection;
- (e) Provisional sanitary drainage stacks on floor plate to service the net lettable area;
- (f) Metering of incoming water supplies;

- (g) Natural gas service for base building and retail tenant provision;
- (h) Trade waste drainage and grease arrestor for base building and retail tenant provision;
- (i) Harvested roof water reused for landscape irrigation;
- (j) Roof drainage; and
- (k) Water efficient tap ware and flushing devices.

2.9 Electrical

- 2.9.1** The electrical installation includes electrical supply, metering, distribution, lighting and special purpose power in compliance with Statute and Regulations.
- 2.9.2** The building will employ tenancy sub-metering; a highly efficient automated lighting system with provision for a diesel standby generator.
- 2.9.3** The Developer has included the provision of high efficiency natural gas cogeneration equipment, with waste heat recovery. This will supply the building with electricity as well as additional hot water.
- 2.9.4** The Developer has also included the provision for sun tracking photovoltaic solar panel, and rooftop wind turbines for additional electrical generation.
- 2.9.5** Category 6 data cabling will be utilised throughout the building.
- 2.9.6** Vertical power and data distribution is provided through riser ducts.
- 2.9.7** Provision of Master Antenna TV services has been included in the base building design.

2.10 Lifts

- 2.10.1** The building will be serviced by five passenger lifts and one stand-alone goods lift that will service the building.
- 2.10.2** The basements will be serviced by one separate passenger lift and the goods lift.
- 2.10.3** The proposed lifts will utilise destination control lift movement/allocation technology to efficiently distribute people throughout the building.

2.11 Fire protection

2.11.1 The building brief requires provision of fire services in accordance with BCA and local Fire Brigade Authority requirements, including:

- (a) Fire protection, detection systems, smoke hazard management and fire egress travel distances in accordance with the Building Code of Australia (BCA) and AS1668 and AS2118.1;
- (b) Fire suppression systems;
- (c) Battery operated self-contained emergency lights and exit signs connected to a computerised automatic testing system. Coverage is to include toilets, plant rooms and switch rooms, the office area and car park;
- (d) Emergency Warning and Intercommunication System complete with additions to cater for hearing impaired requirements;
- (e) Extinguishers, fire blankets;
- (f) External and internal hydrant system;
- (g) Internal fire hose reel system; and
- (h) Ancillary alarm outputs to various building sub systems.

2.12 Security

2.12.1 A security risk assessment will be conducted during the design stage, and the building will match the outcomes of the assessment. A security design brief will be developed by a SCEC Approved Security Consultant. The building fit out will incorporate the ATO's security requirements. All staff are provided with security passes which will interface with electronic proximity card readers at specified locations at the perimeter of the premises to control access. Electronic access control points include:

- (a) Vehicle and pushbike access to the parking areas;

- (b) Loading area and after-hours access doors; and
- (c) Entry to the building through security racers.

2.12.2 Internal areas with higher than normal security requirements will also have proximity card readers installed at the entrance doors to restrict access to authorised staff only.

2.12.3 A security desk will be located in the foyer of the building and staff will be required to sign in and escort visitors.

2.12.4 The ATO will continue to consult appropriate security experts with regard to the development of additional security requirements for the building.

2.13 Acoustics

2.13.1 The building design incorporates measures to reduce noise in the work environment including insulated glazed external windows, acoustic ceiling tiles in offices and meeting rooms, fabric panelling and carpeted floors. Attention will also be paid to air-conditioning detailing to reduce noise from moving air and mechanical plant.

2.13.2 Acoustic performance criteria has been incorporated into the fit out brief to ensure adequate noise insulation between offices, meeting rooms, training rooms and other works spaces.

2.13.3 Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements and recommendations of AS1055 Acoustics.

2.14 Landscaping & other civil works

2.14.1 Landscaping surrounding the works will meet Authority standards for aesthetics and crime prevention, including vandal resistant lighting and finishes.

2.15 Provisions for people with disabilities

2.15.1 The base building includes a number of requirements to assist people with disabilities including:

- (a) the building shall be designed to comply with AS1428.2 and comply with the mandatory provisions of the Building Code of Australia;
- (b) provision of disabled parking for staff;
- (c) access for disabled toilet areas for the office will be provided in accordance with the following:
 - **AS 1428.1-2001** Design for access and mobility - General requirements for access - New building work.
 - **AS 1428.2-1992** Design for access and mobility - Enhanced and additional requirements - Buildings and facilities.
 - **AS 1428.3-1992** Design for access and mobility - Requirements for children and adolescents with physical disabilities.
 - **AS 1428.4 – 2002** External landscaping and layout to ensure wheelchair access is available to main entry.
- suitable access to the building; and
- all lifts to be accessible and provide facilities in accordance with relevant Australian Standards, including AS1735.12 and AS 1428.

2.15.2 Lifts, access ways, doorways and accessible toilets and showers will be designed to comply with Australian Standards and the Building Code of Australia.

2.16 Heritage issues

2.16.1 There are no known heritage issues that are required to be addressed with this proposal.

2.17 Child-care provisions

2.17.1 The leasing of this new site will enable all existing ATO Box Hill staff, currently accommodated in the 990 Whitehorse Road building, to continue to utilise existing child care arrangements and no on-site facilities are proposed.

2.17.2 The new site includes 3 private rooms which enables parents with an alternate option for breast feeding or religious prayer.

2.18 Occupational health and safety

2.18.1 The ATO project team will work closely with recognised Occupational Health and Safety consultants to advise on the Design and Construction of the new fit out. Further the ATO will work closely with its Property Service Provider, UGL Services to ensure that the fit out design complies with the relevant codes.

2.18.2 Additionally, through UGL Services the relevant consultants and architects will assist in the selection of internal furniture and fittings including adjustable desks, shelving, work tables and compactus units to ensure they are suitable for a wide range of staff to use safely and with minimised risk of injury.

2.18.3 Characteristics of the proposed work space will be:

- (a) Modular work points that provide functional support, storage and a level of privacy;
- (b) Low profile to preserve views;
- (c) Feeling of light, airy, healthy openness; and
- (d) Capacity for visual variation.

- 2.18.4** The design, materials and finishes used in the furniture and fit out construction will take into account Occupational Health and Safety (OH&S) aspects and avoid sharp edges, furniture legs which cause obstructions and highly reflective surfaces.
- 2.18.5** All contractors and sub-contractors shall comply with OH&S legislation appropriate to the building site.
- 2.18.6** A design review of the base building will be completed to ensure any potential risks to users, occupants and maintenance personnel are not exposed to potential work place injury.
- 2.18.7** Lighting and window treatments are specified to reduce glare and provide appropriate lighting levels for the tasks being performed together with preserving natural light and views.

2.19 Consultation

2.19.1 The ATO has adopted a number of communication strategies for internal and external consultation. This includes direct consultation with representatives from the various functional areas of the office and by staff bulletins. The ATO will also continue to conduct formal consultation with managers and staff. This strategy incorporates:

- (a) Briefings for managers and staff;
 - (b) Briefings for staff representatives and unions;
 - (c) Work area involvement in the development of the requirements;
 - (d) The display of a prototype work area so that all staff can familiarise themselves and raise questions about the proposed fit out;
 - (e) Information sessions for staff through site consultation group;
 - (f) Establishing a joint reference group with the Project Leaders to provide advice on more significant specialist aspects of the project;
- and

(g) All staff e-mails and dedicated intranet website reporting.

2.20 Local impact, eg employment

- 2.20.1** The development of 913 Whitehorse Road will have a positive impact on the local community. Currently the land is underutilised and the additional office space is consistent with the aim of the City of Whitehorse of increasing the amount of employment in the region and stimulating business activity.
- 2.20.2** Existing infrastructure services including power, communications, sewerage, gas and water supplies are well developed and can easily cope with the increased demand.
- 2.20.3** Construction and fit out will impact positively on the local economy with employment in the private sector. There are no foreseen increases in numbers employed by the ATO in the Box Hill region during this project.
- 2.20.4** The development of 913 Whitehorse Road will have a significant positive regeneration impact on the surrounding business area.
- 2.20.5** There will be no job losses in the ATO as a result of the relocation.
- 2.20.6** During construction, on average there will be 200 people employed on site for the 24 month period, with a further 200 additional people employed at peak periods. In addition to this, it is estimated that up to 300 people will be employed off-site during peak periods. It is estimated that up to 5,000 people will work on various stages of the project through the design and construction.

2.21 Project costs

- 2.21.1** The estimate of project cost is based on analysis performed by Trevor Main Quantity Surveyors and compared against recent construction costs experienced by the ATO. The initial project budget rate of \$1,860 per square metre (excluding GST) has been applied to this estimate which is considered

to be in the medium range for ATO and Commonwealth office fit outs in Victoria.

2.21.2 A breakdown of the project cost estimate of \$36.0 million (excluding GST) is detailed in Annexure A – Submission 1.1.

2.22 Project delivery methodology

2.22.1 The ATO has engaged the developer to prepare the detailed design documentation and construct the fit out concurrently with the base building. This work will be undertaken on a cost-plus basis, with the ATO paying actual tendered prices for goods and services received, and the developer charging a percentage fee for management of the works.

2.22.2 An integrated fit out is expected to provide the ATO with the following benefits:

- (a) Costs will be less because the fit out-related work will be done at the same time as the base building work and hence there is less need for re-work in modifying the base building to accommodate the fit out after the base building is completed.
- (b) Time will be saved because the ATO does not have to wait until the base building is completed before the fit out works commence.
- (c) Coordination is easier because the same project team manages all aspects of the work, including work for the developer and the ATO. There are fewer over-laps in responsibilities and less potential for disputes over matters such as interference.
- (d) There is less duplication of resources with one team of design, supervision and management personnel for both aspects of the work.

2.22.3 The ATO has engaged its own Project Manager through UGL Services to ensure its interests are protected throughout the process.

2.22.4 On behalf of the ATO, UGL Services will engage an Architect for the fit out component of the project and will novate this provider to the Developer for the project at Concept Design approval stage.

2.22.5 On behalf of the ATO, UGL Services will engage a Quantity Surveyor and Services Engineers for peer reviews to ensure the ATO's interests are protected throughout the process.

2.23 Construction program

2.23.1 Fit out will be undertaken concurrently with the base building construction. Base building works at 913 Whitehorse will commenced in May 2012, with the fit out construction scheduled to commence in May 2013. Practical completion is scheduled for 1st April 2014. Project consultants have reviewed the construction program to ensure it is feasible and that there is appropriate contingency to cover time over-runs.

2.23.2 The brief for the ATO's Project Manager places a high priority on monitoring the program to ensure that any potential program delay is identified at an early stage so that it doesn't impact on the completion date.

2.23.3 If the completion of construction is delayed past 1st April 2014, short term lease extensions on the existing ATO site will be negotiated. Cost recovery for the short term leases will be mitigated under the delay damages provisions within the Agreement For Lease. The ATO also holds a 5 year lease option on the current site.

2.24 Sketch designs

2.24.1 The site plan and floor plans are attached at Annexure B.

Annexure A – Submission 1.1

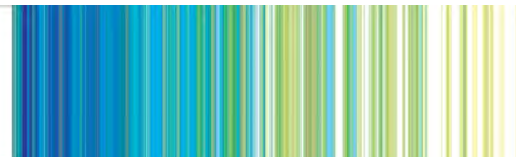
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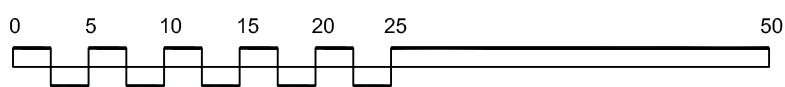
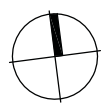
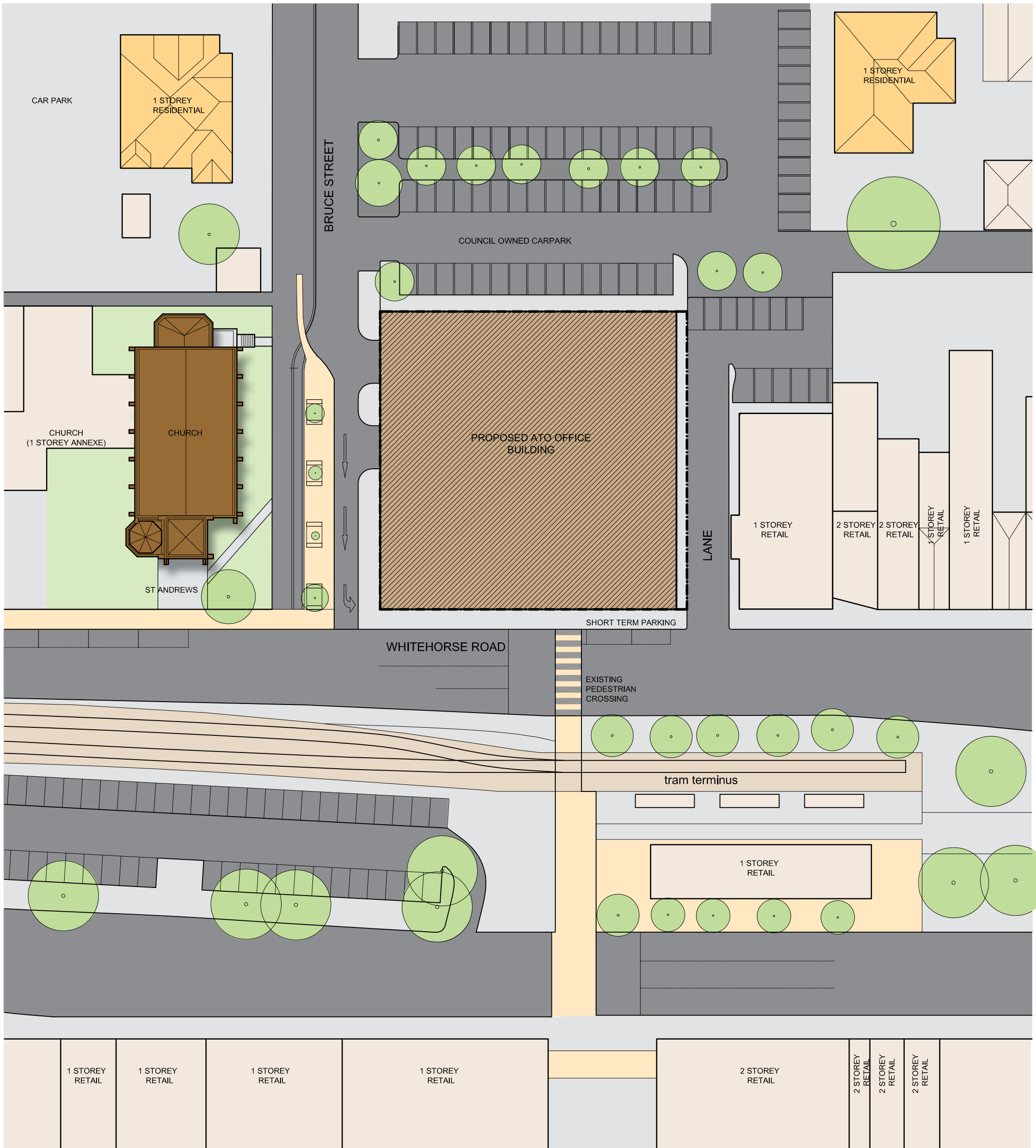
Annexure B – Site Plans

ATO Box Hill

Integrated Office Fitout

2 April 2012





Site Plan

Proposed OFFICE BUILDING
Cnr Whitehorse Road and Bruce Street, Box Hill, Victoria

Project Number: 311019
 Drawing Number: TP-00
 Revision: B
 Date: 17.04.2012
 Scale: 1:500 @ A3

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Stack Plan

13 Office Floor Levels – approx 1550m²

Level 1 Smaller Typical Floor -Mail Room

Level 3 Smaller Typical Floor

Level 6 Typical Floor -Server Room

Level 9 Multi-purpose meeting floor

Level 13 Staff amenity/ typical working floor

Level 2,4,5,7,8,10,11,12 typical working floors

19,372 m² NLA

Ground Floor- Security Race/ Interview Room/Wait area

Upper Basement Mezzanine- Shower/change

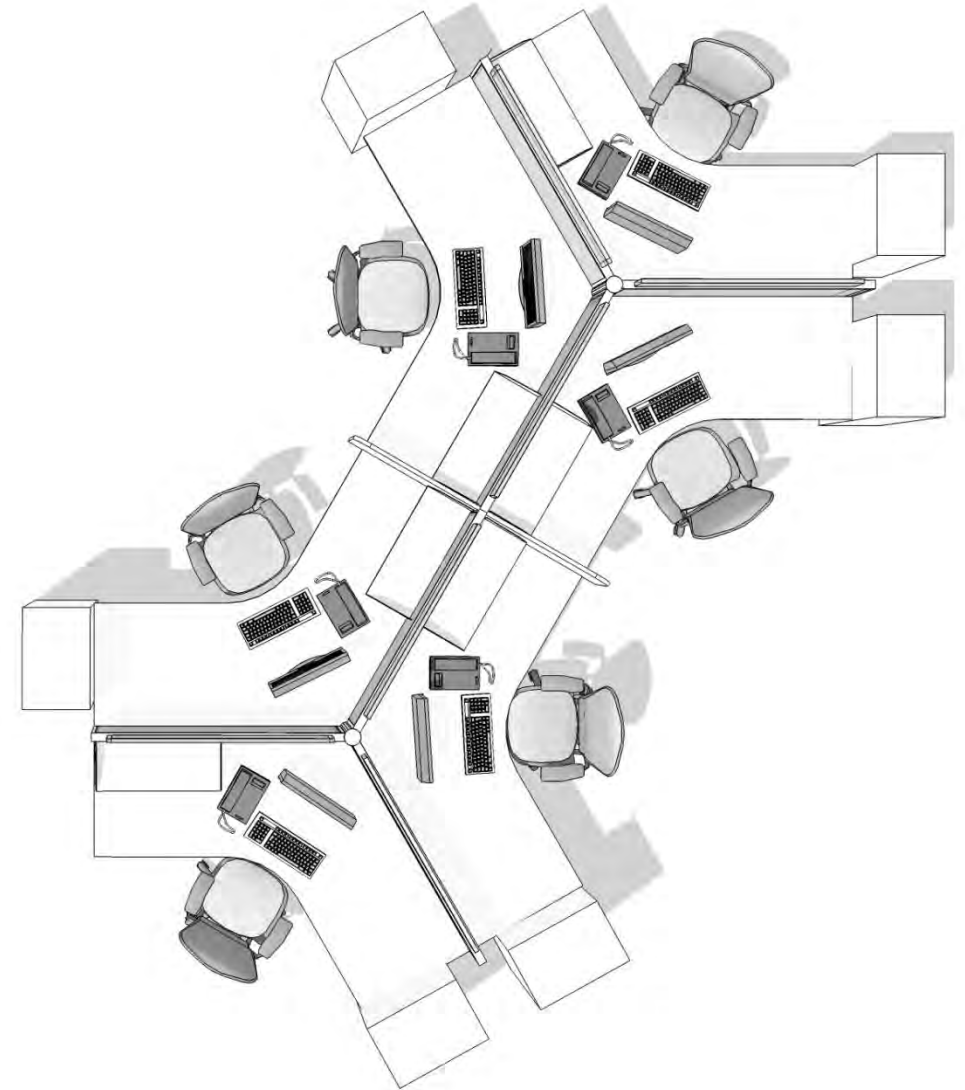
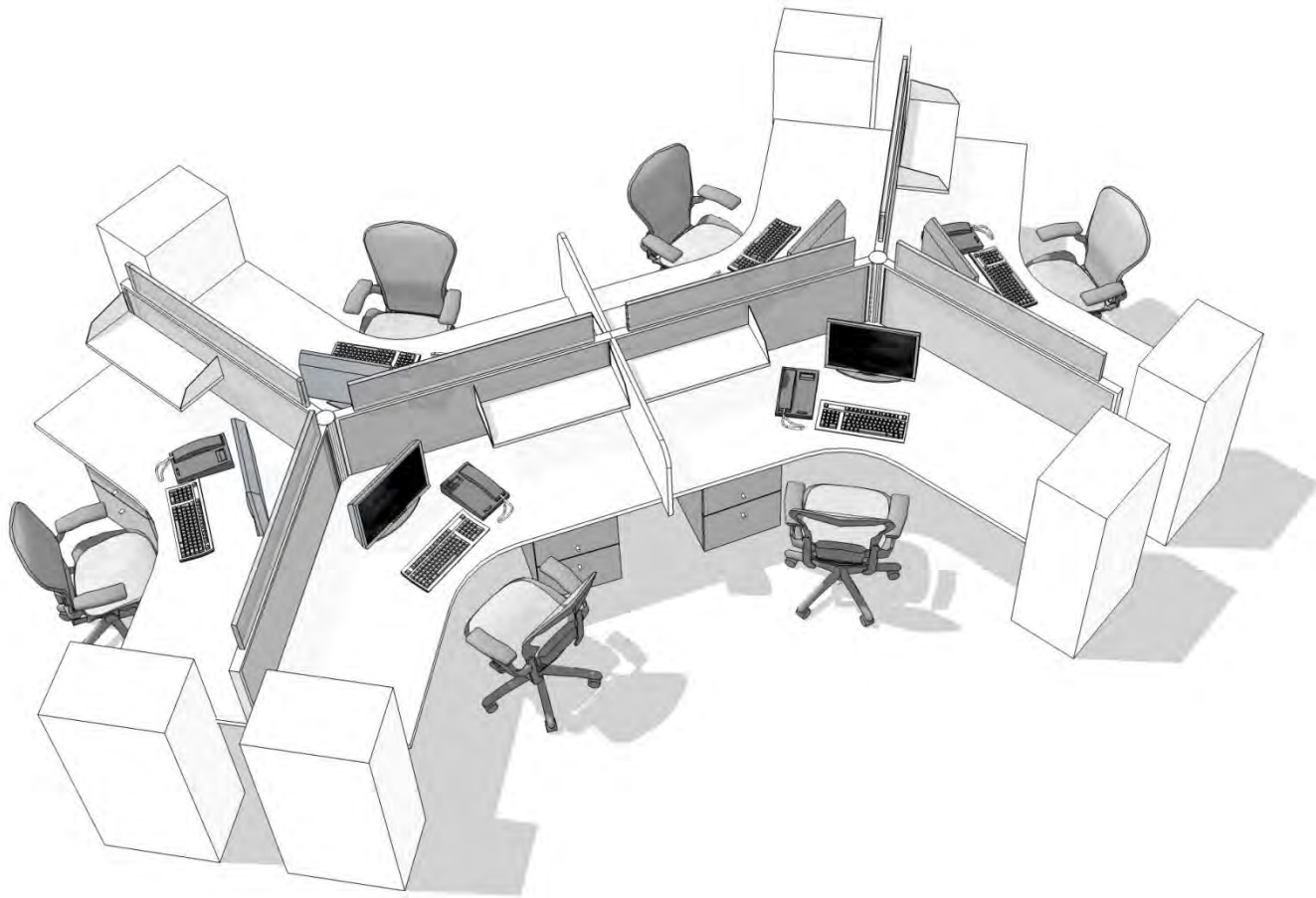
Upper Basement- Bike parking / Carpark

Lower Basement- Carparking

Stack Plan

Level	m ²	SES Office No.		Staff No.	Special Support Facilities	
		Band 2	Band 1			
L13	909	0	0	36	Staff Hub, Wellness Area, Carer / Prayer / First Aid	
L12	1550	1	1	111	SES Band 2 on SE Perimeter	
L11	1550	0	1	117		
L10	1550	0	1	117		
L9	1550	0	0	20	Multi-purpose Meeting, Boardroom, IT Training, Research Hub, Pegasys Room, Video Conference, Touchdown (8 no.)	
L8	1550	0	0	117		
L7	1550	0	2	117		
L6	1550	0	2	105	Server Room, SER, Vendor Store, Build Room	
L5	1550	0	0	117		
L4	1550	0	1	117		
L3	1454	0	1	113		
L2	1550	0	0	117		
L1	1509	0	0	99	Mail Room	
G					Security / Reception / Guard	
UBM	UPPER BASEMENT MEZZANINE				Locker/Shower	
UB	UPPER BASEMENT				Bike Park	
LB	LOWER BASEMENT					
TOTAL		19,372	1	9	1303	1313 Total Staff = 14.7m ² per wp overall

Typical Open Plan Workstation cluster



Space Planning Approach

Similar planning approach –modular / adaptable over time

Diverse ‘Look and Feel’-Box Hill point of difference

Open flowing space- no barriers

Keep perimeter open – no ‘ownership of the window’/direct radiant heat

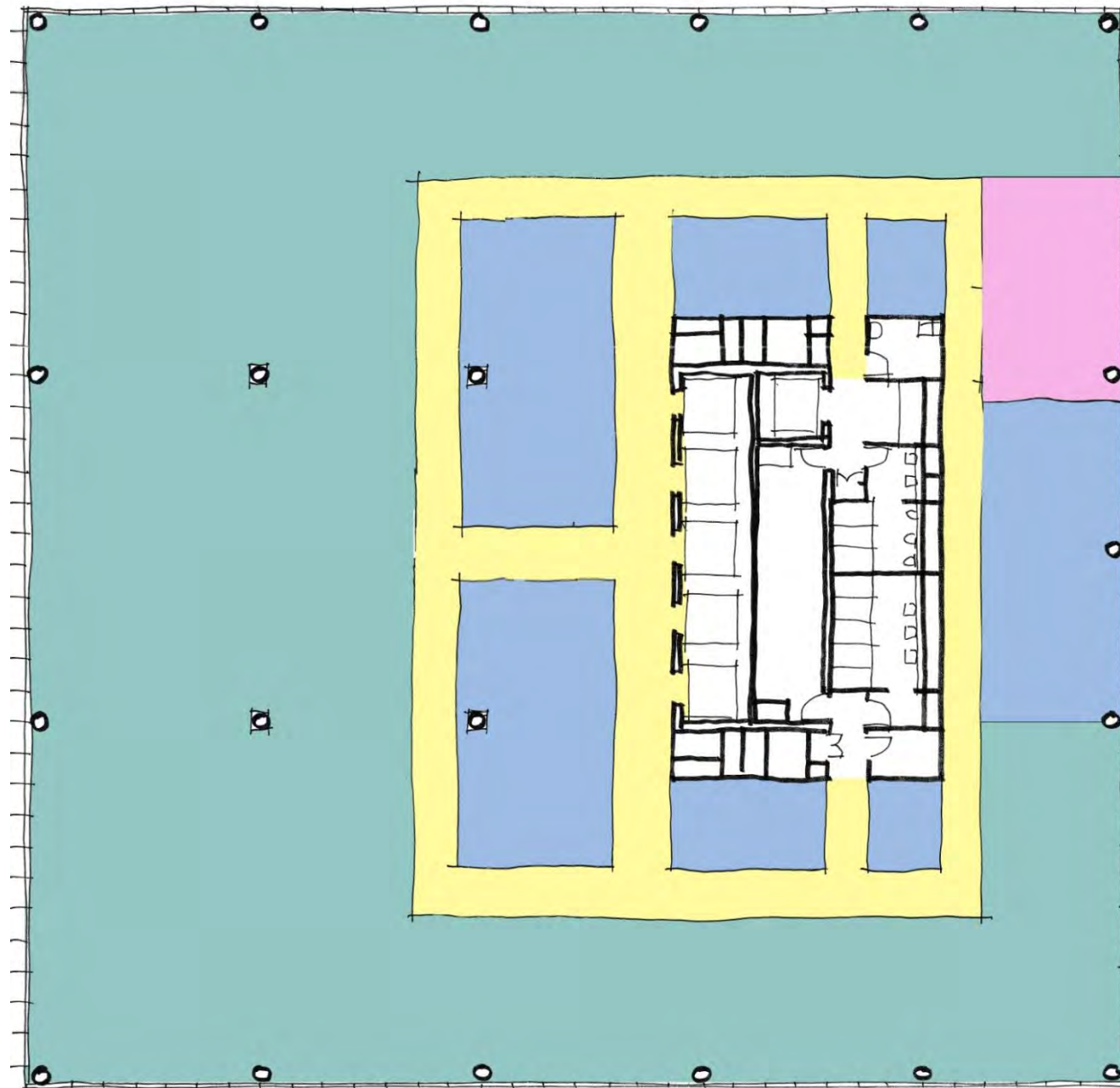
Maximum natural light

Maximum views

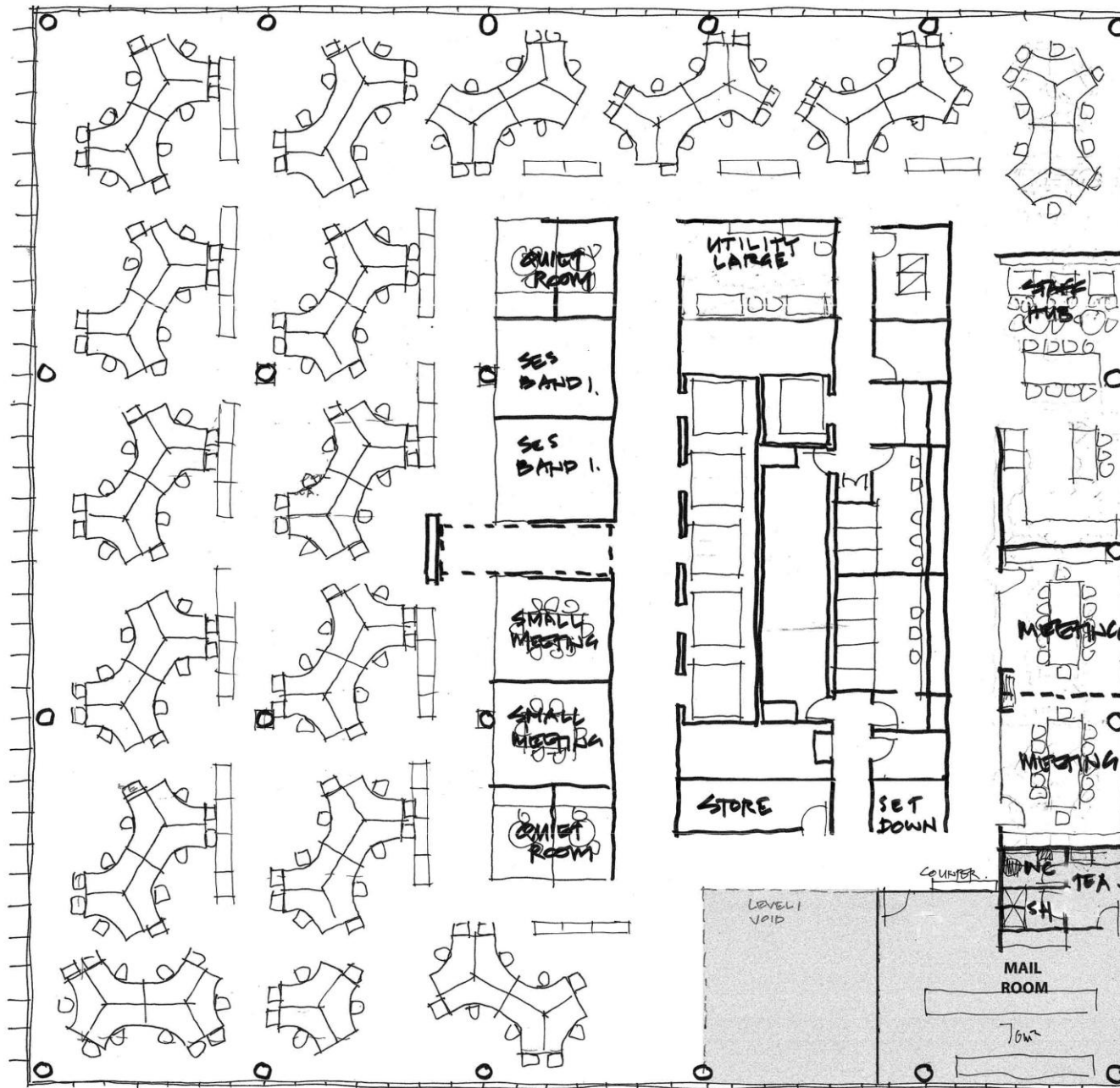
Clearly defined circulation paths – minimise disruptions

Allow for group interactive work and individual work

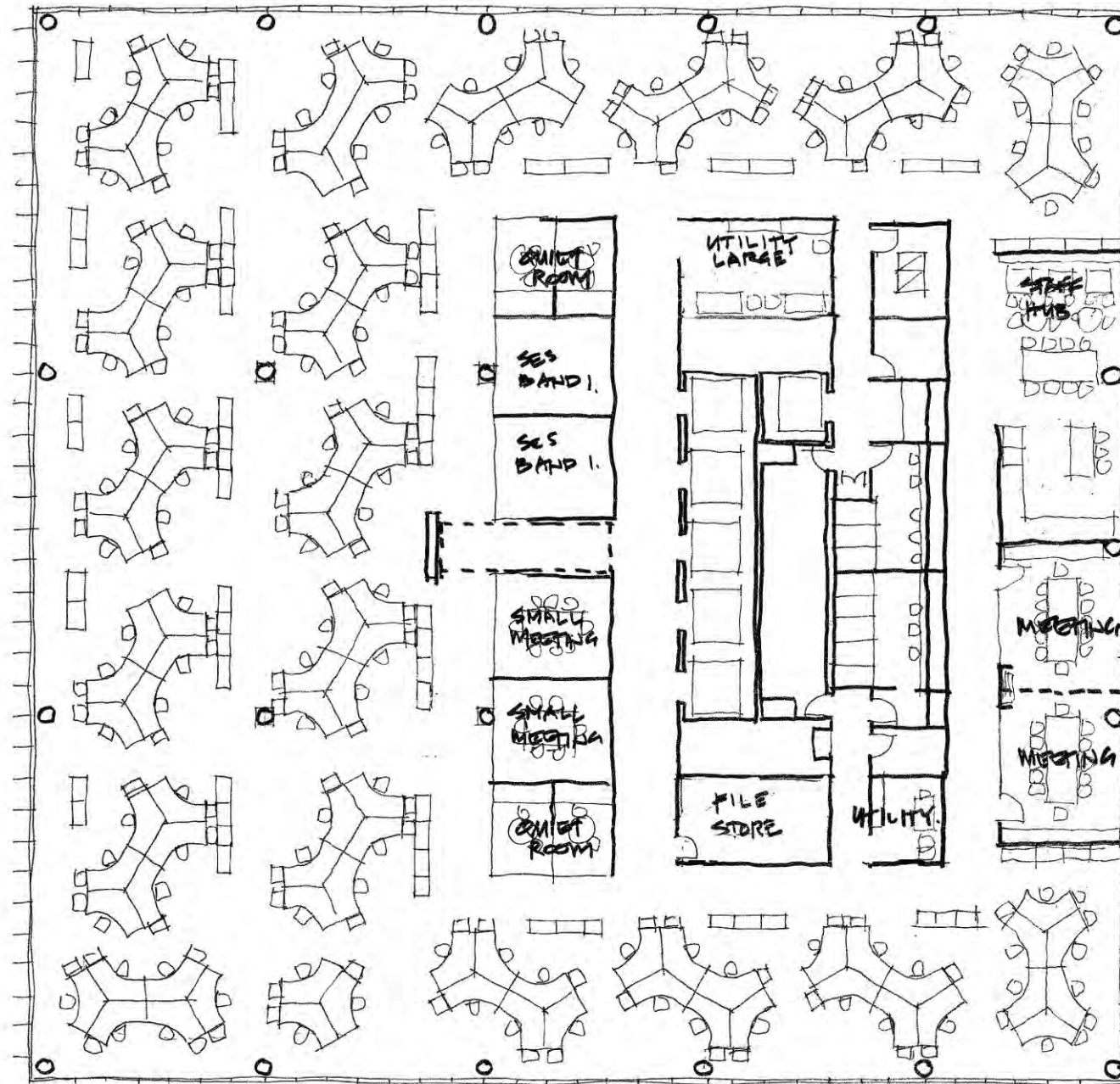
Typical Floor Space Use



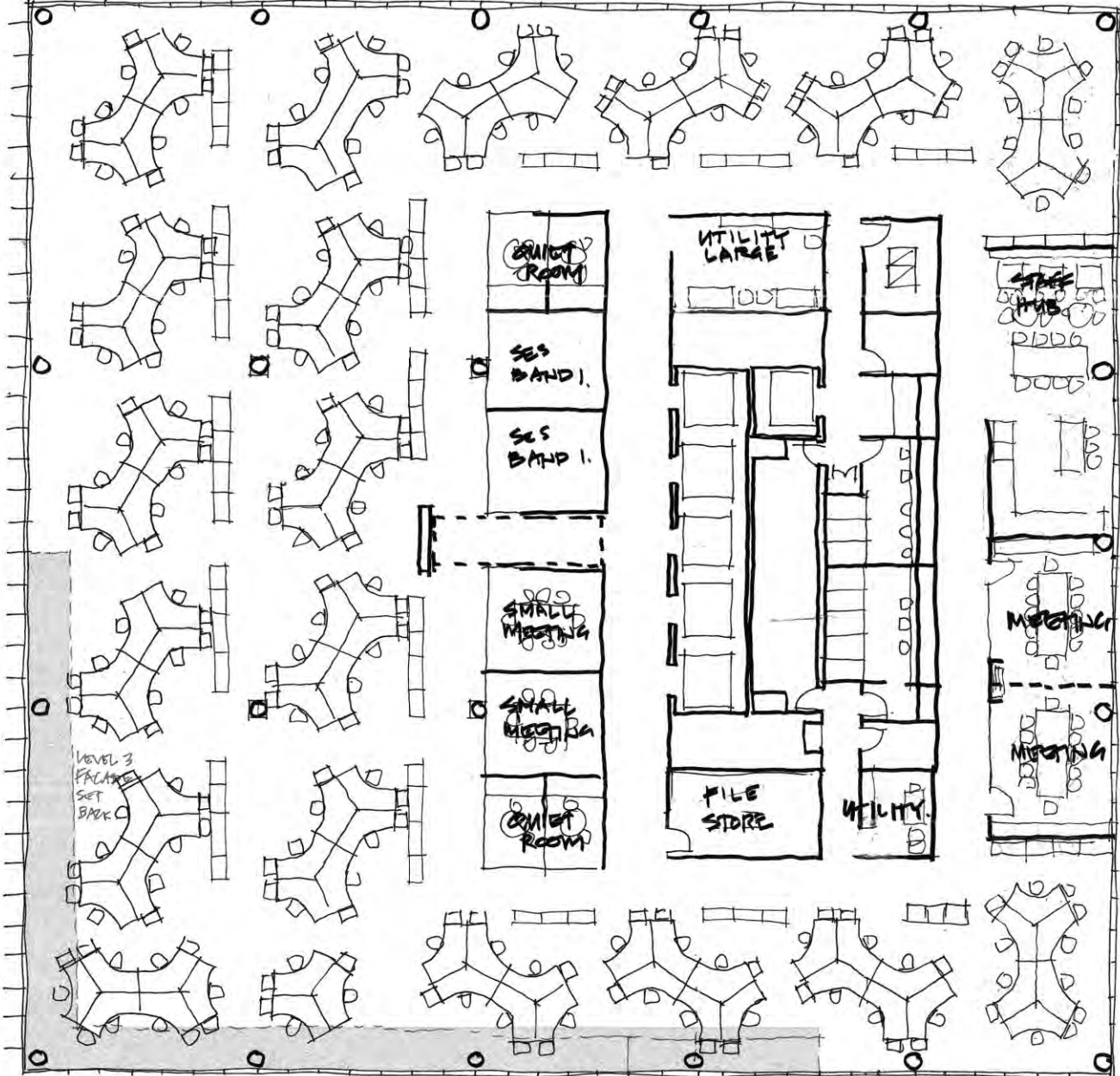
Sketch Plan Level 1



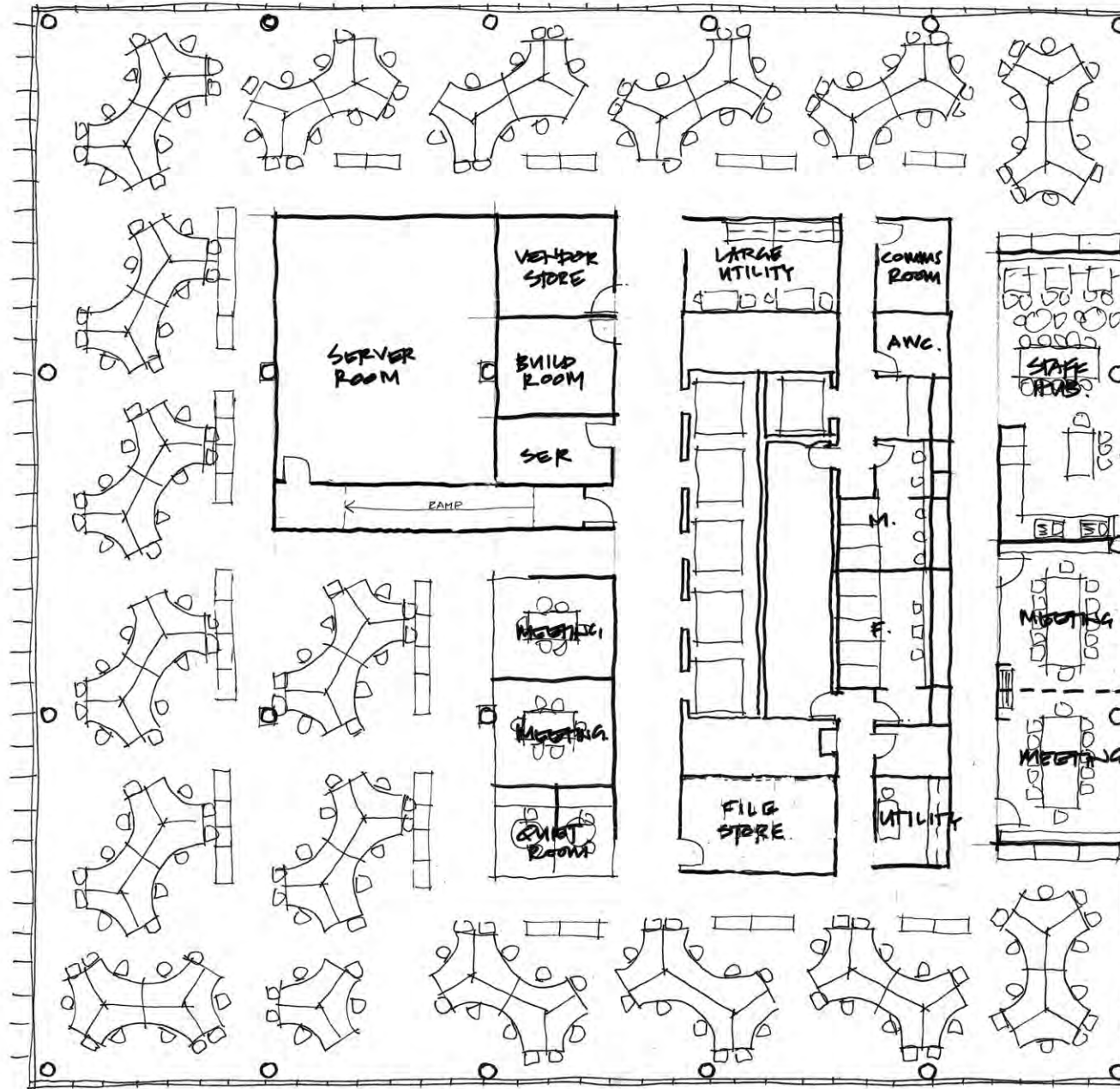
Typical Floor Levels 2,4,5,7,8,10,11,12



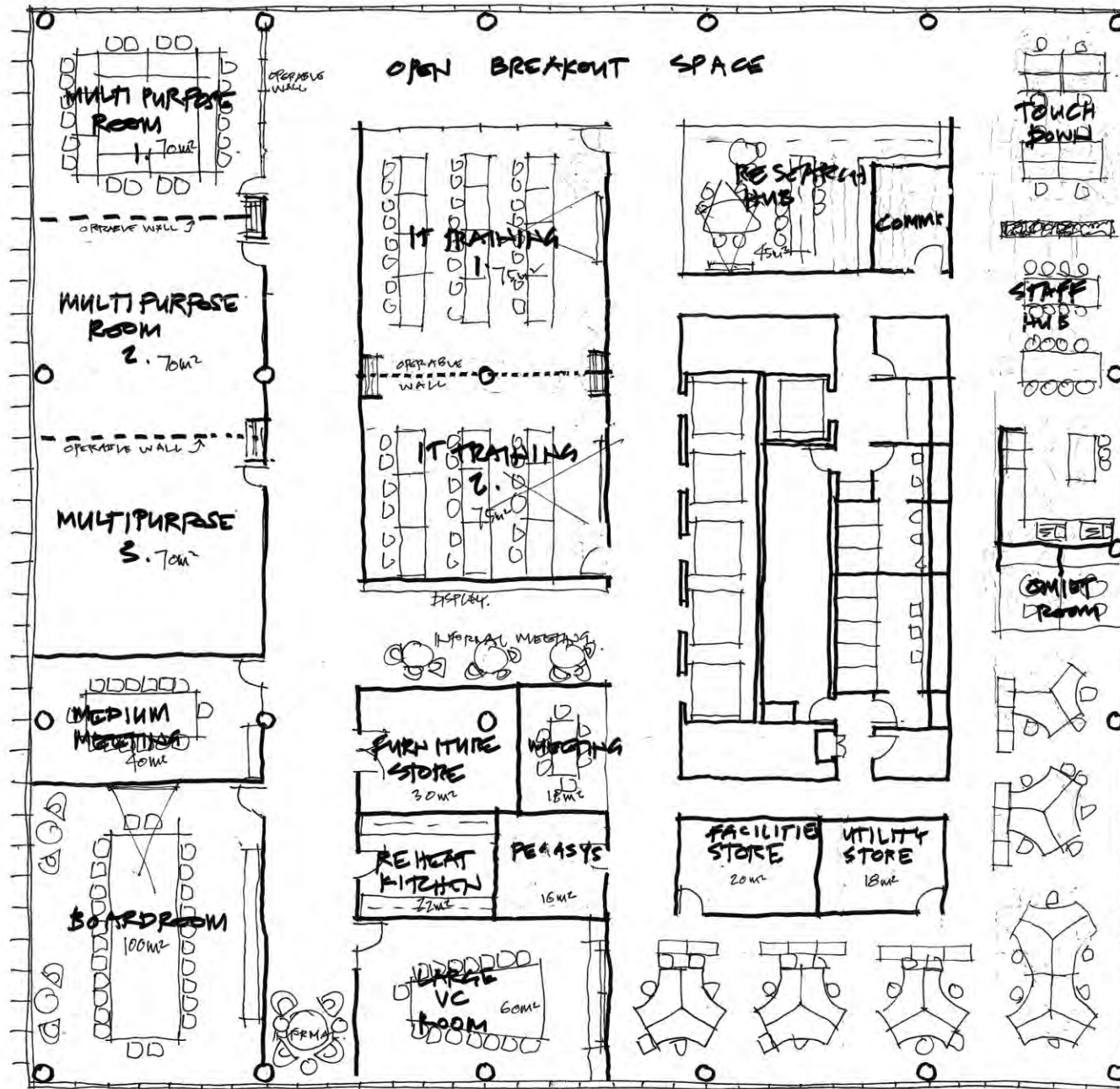
Sketch Plan Level 3



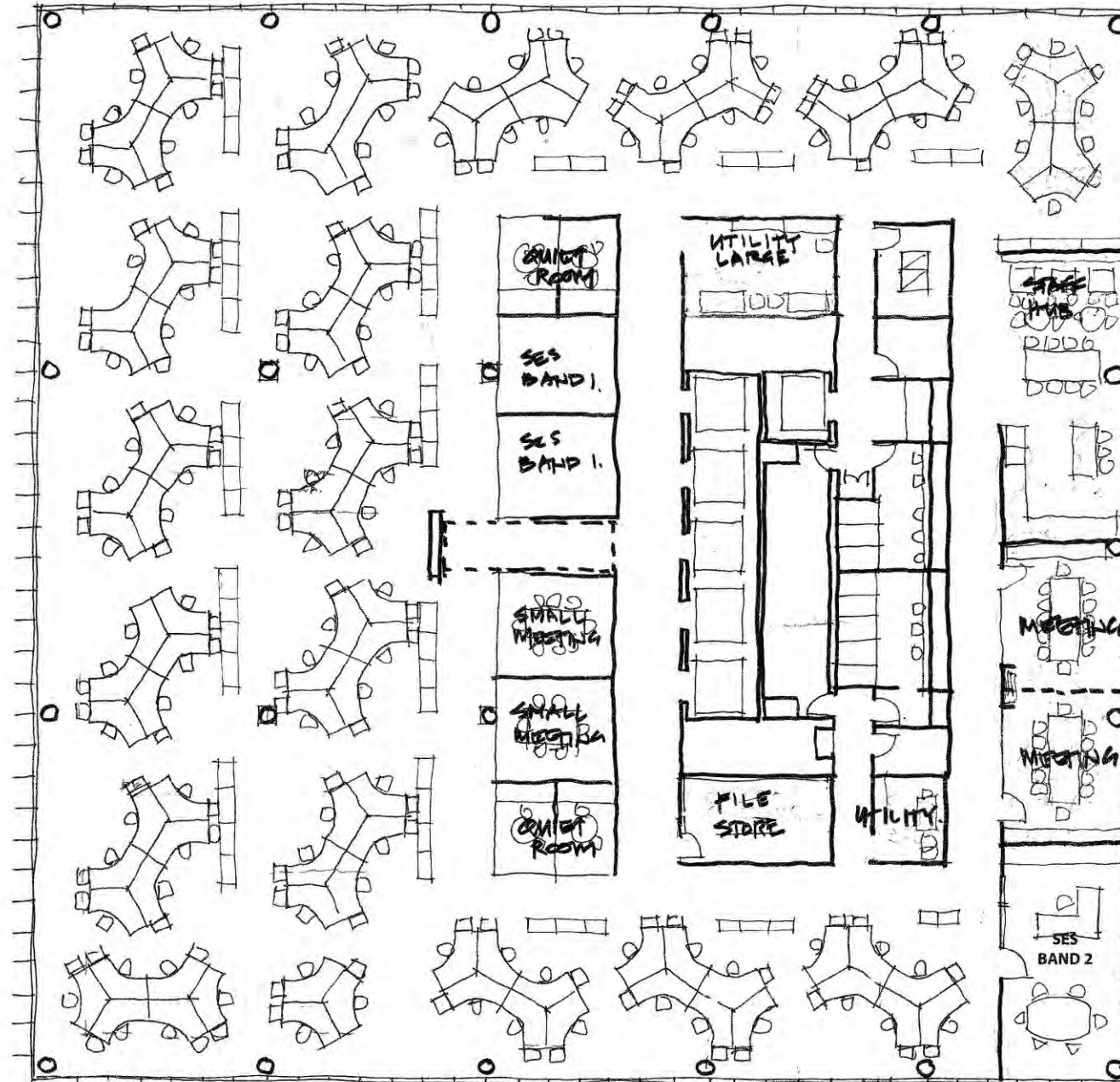
Sketch Plan Level 6



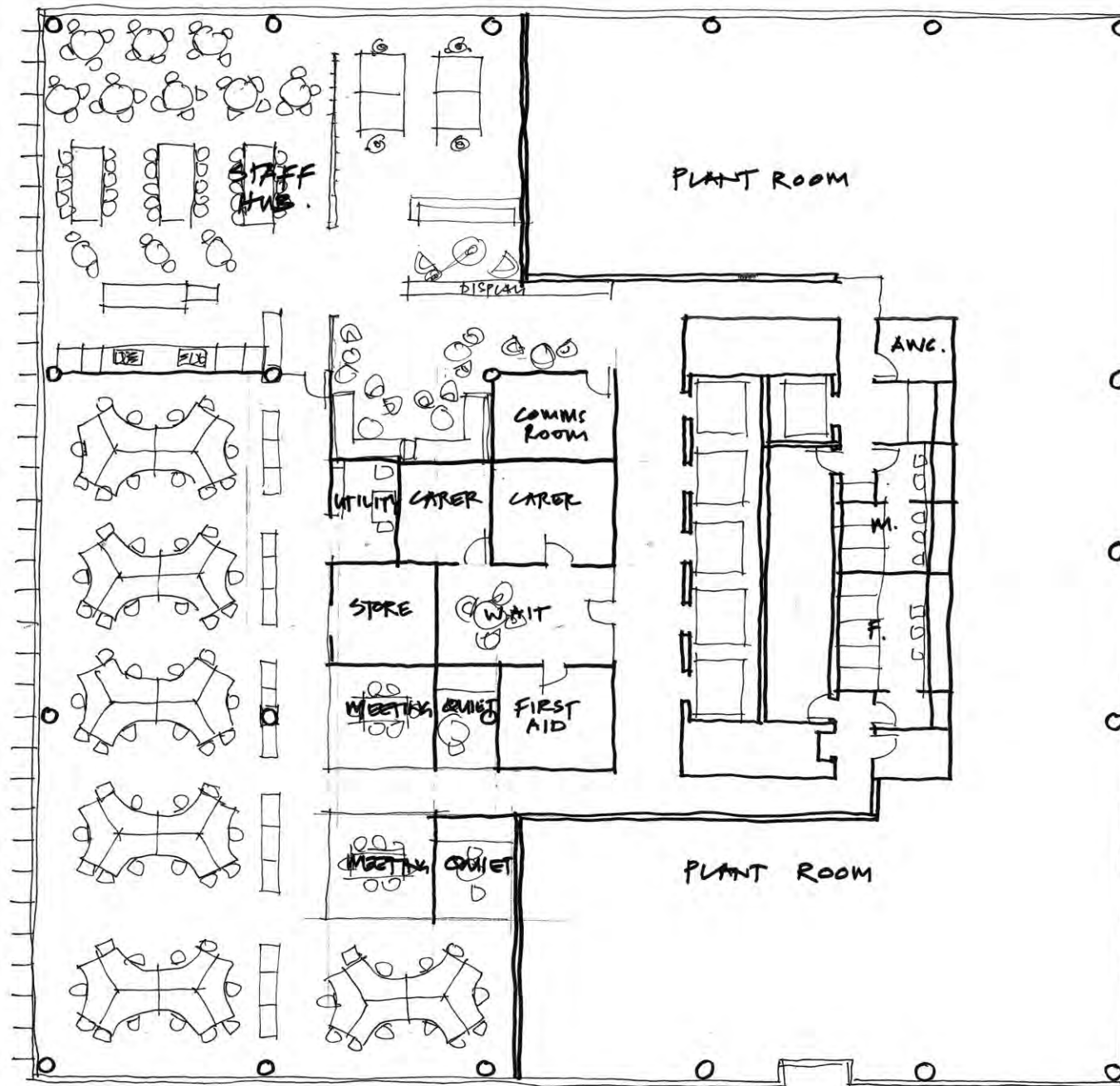
Sketch Plan Level 9 - Linear



Sketch Plan Level 12



Sketch Plan Level 13 - Linear



***Annexure C - Department of Climate Change and Energy Efficiency
Submission Form and Green Lease Schedule from the Agreement
for Lease***

Parliamentary Standing Committee on
Public Works (PWC) – Submission Review
Form



Australian Government
**Department of Climate Change
and Energy Efficiency**

Agency/ Statutory Body Name:	Australian Taxation Office	
Project Manager: (name and contact details)	Nathan Munro – UGL Services L5, 64 Northbourne Ave, Canberra 2601 02 6245 5800	
First Assistant Secretary: (name and contact details)	Frances Cawthra Chief Finance Officer Australian Taxation Office PO Box 9990 Canberra ACT 2601 03 9275 4252 02 6216 2267	
Building Address:	913 Whitehorse Road Box Hill, Victoria State: Victoria	
Total building area to be occupied	19 100 _____ m ²	Accommodation Type <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased Lease Type (Where applicable) <input checked="" type="checkbox"/> Gross <input type="checkbox"/> Net Please provide any additional relevant information as an attachment.
Net Lettable Area (office space)	19 100 _____ m ²	
Portion of total Area occupied by agency/ statutory body	100 _____ %	
Percentage of Net Lettable Area (office space) within total area	100 _____ %	
Estimated Completion Date	_01_/_04_/_2014_	
Agency's Building Staff Number	_1313_____	

	Further information	Yes/No	Comments – please provide any relevant details. You may include further information as attachments.
1	Is there an office component?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2	Is this a new building proposal?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
3	Is this a major refurbishment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4	Will a Green Lease Schedule (GLS) be signed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
5	Applicable GLS Type	<input checked="" type="checkbox"/> A1 <input type="checkbox"/> A2 <input type="checkbox"/> B1 <input type="checkbox"/> B2 <input type="checkbox"/> C1 <input type="checkbox"/> C2	
6	Exception to part/all GLS applied for?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A <input type="checkbox"/> No	No application required

7	<p>What energy efficiency features been considered?</p> <p>Please tick relevant areas considered and list any additional detailed information as attachments where applicable.</p>	<p><input checked="" type="checkbox"/> 4.5 star NABERS Energy, or more, commitment agreement for Tenant, Light and Power</p> <p><input checked="" type="checkbox"/> 4.5 star NABERS Energy, or more, commitment Agreement for Base Building</p> <p><input checked="" type="checkbox"/> Zoned Lighting Controls Zones (every 100 m²)</p> <p><input type="checkbox"/> Lighting improvements – e.g. 7 W/m² (max)</p> <p><input checked="" type="checkbox"/> Separate Digital Metering of Tenancy and Central Services</p> <p><input checked="" type="checkbox"/> Separate Metering of Computer Centre(s)</p> <p><input checked="" type="checkbox"/> Energy monitoring regime</p> <p><input checked="" type="checkbox"/> Incorporation of renewable energy</p> <p><input checked="" type="checkbox"/> Incorporation of co-generation or tri-generation</p> <p><input checked="" type="checkbox"/> Other improvements to increase overall energy efficiency of the building – 5 Star Green star.</p>
When completed please return to DCCEE Government Energy Efficiency Team for processing. Email: govoperations@climatechange.gov.au		

DCCEE Office Use Only			
8	GLS Exception granted?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
9	DCCEE agrees submission meets EEGO policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10	Issues to be addressed (if required)		
When completed, sign below, file and notify the contact at PWC.			

Signed: _____

Name (print): _____ **Date:** / /



Australian Government
**Department of Climate Change
and Energy Efficiency**

GREEN LEASE SCHEDULE

SCHEDULE A1

EDITION 1 REVISION 1

FOR USE IN A GROSS LEASE WHERE THE PREMISES ARE 2,000 SQUARE METRES
OR MORE AND THE TENANT OCCUPIES 100% OF THE BUILDING



Australian Government
**Department of Climate Change
and Energy Efficiency**



Australian Government Solicitor

Precedent template prepared by the Australian Government Solicitor

More information regarding the Green Lease Schedules can be found at:

<http://www.climatechange.gov.au/government/initiatives/EEGO:ASPX>

Note on use of Green Lease Schedule

This Green Lease Schedule (GLS) is a general template for use in lease transactions involving Australian Government agencies or bodies. It does not replace the need to fully consider the implications of the base lease clauses and the GLS and the need to check the interaction of the base lease with the GLS to ensure consistency and compatibility and to give efficacy to the particular circumstances and the requirements of individual transactions. Apart from use by GLS participants (being the Commonwealth of Australia including departments, agencies, statutory bodies and corporations of the Commonwealth) or for educational purposes the GLS should not be reproduced in whole or in part without permission.

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GREEN LEASE SCHEDULE

This Green Lease Schedule applies where the rent is gross, the net lettable area of the Premises is 2,000 square metres or more and where the Tenant occupies 100% of the net lettable area of the Building.

PART 1 - INTRODUCTION

1. Context

1.1. Background

- A. This Green Lease Schedule is incorporated into and forms part of the Lease.
- B. The Green Lease Schedule reflects the Parties' desire to improve and be accountable for energy efficiency in the Premises and the Building wherever possible. It is part of the wider policy of the Commonwealth of Australia reflected in the Australian Government Operations Energy Efficiency Policy to reduce the environmental impact of Government operations, and by so doing, lead the community by example.
- C. As part of the Parties' commitment to improve energy efficiency the Landlord and the Tenant wish to promote the reduction of greenhouse emission and ensure the environmental sustainability of the Building resources by implementing the measures in this Green Lease Schedule.
- D. The parties have agreed that they will act in good faith and take a co-operative attitude to issues and initiatives arising under the Green Lease Schedule.

1.2. Interpretation and Operational Provisions

- 1.2.1. In this Green Lease Schedule unless the contrary intention appears:

Accredited Assessor	means an Accredited Assessor under NABERS who is independent of both Parties
Accredited Rating Certificate	means a certificate issued by the NABERS National Administrator evidencing a NABERS Energy Rating
Adjusted NABERS Energy Rating	means of the Target NABERS Energy Rating, a whole building rating under NABERS; or of the Tenancy NABERS Standard, a standard consistent with a tenancy rating under NABERS determined by the Expert in accordance with clause 9.2.2 and being an adjustment to the Target NABERS Energy Rating or the Tenancy NABERS Standard or both

Australian Government Operations Energy Efficiency Policy	means the Policy entitled “Energy Efficiency in Government Operations” as amended from time to time
Building	means the building in which the Premises are located as described in the Lease and includes the Premises
Building Management Committee	means the Building Management Committee established under Part 2 of this Green Lease Schedule which comprises the Tenant’s Energy Representative and the Landlord’s Energy Representative from time to time
Commencement Date	means the commencement date of the Lease
day	means calendar day
Energy Intensity	means megajoules of energy consumed per square metre of the net lettable area of the Building or the Premises (as the case may be)
Energy Intensity Improvements	means any act, matter or thing which has the effect of reducing Energy Intensity (as expressed in megajoules) or which will result in the NABERS Energy Rating (on a whole building rating basis) being higher than the Target NABERS Energy Rating
Energy Management Plan	means the plan implemented under clause 6 of this Green Lease Schedule
Expert	means an expert who is appointed in accordance with clause 10 of this Green Lease Schedule
Green Lease Schedule	means this Schedule and includes any attachments to this Green Lease Schedule
Improved NABERS Energy Rating	means a. a rating under NABERS which is higher than the Target NABERS Energy Rating; or which is higher than the Tenancy NABERS Energy Standard
Landlord	means the Party described as Landlord or Lessor or other equivalent word under the Lease
Landlord’s Energy Representative	means the person appointed by the Landlord and notified to the Tenant under clause 3.1.6
Lease	means the lease for the Premises made between the Parties
Major Refurbishment	means any refurbishment, renovation or restoration involving any replacement, upgrade or repair of a

	<p>material nature which involves the base building services and which affects the base building services in or servicing 50% or more of:</p> <p>a. the net lettable area of the Premises, or</p> <p>able area of the Building, or</p> <p>on areas</p>
month	means calendar month
NABERS Energy Rating	means a rating relating to energy for offices certified by an Accredited Assessor under NABERS
NABERS National Administrator	means the national administrator from time to time under NABERS
NABERS Scheme	<p>means the National Australian Built Environment Rating System (including any system or scheme updating or replacing it from time to time) administered by the Department of Environment, Climate Change and Water, acting for and on behalf of the Crown in right of the State of New South Wales, (or by any successor or other body administering NABERS from time to time) in the form in which it applies at the Commencement Date [^]or insert other date which fixes the version of NABERS applicable for term of the lease[^]</p>
Parties	means the parties to the Lease
Premises	means the premises leased to the Tenant under the Lease and as described in the Lease
Remedial Notice	means a notice given under clause 9 by a Party where the other Party has breached an obligation under the Green Lease Schedule
Remedial Plan	means a plan agreed or determined under clause 9
Requirements	means the common law, all statutes, ordinances and by-laws and any requirement, notice, order or direction of a competent authority
Target NABERS Energy Standard	means a 4.5 star whole building NABERS Energy Rating certified by an Accredited Assessor under NABERS
Tenancy NABERS Energy Standard	means a standard consistent with a 4.5 star tenancy NABERS Energy Rating under NABERS
Tenant	means the Party described as Tenant or Lessee or other equivalent word under the Lease
Tenant's Energy Representative	means the person appointed by the Tenant and notified to the Landlord under clause 3.1.6

Working Day	means a day other than a Saturday, Sunday or public holiday in the state or territory where the Premises are located
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- 1.2.2. The singular includes the plural and vice versa.
- 1.2.3. Unless otherwise provided references to clauses are a reference to clauses of this Green Lease Schedule.
- 1.2.4. Unless otherwise defined or provided for in this Green Lease Schedule words and phrases used in this Green Lease Schedule will have the meaning ascribed to them in the Lease.
- 1.2.5. Unless the context otherwise requires the phrase “Lease term” or “term of the Lease” will be interpreted to include any renewal or extension of or overholding under the Lease.
- 1.2.6. Reference to a right includes a remedy, authority or power.
- 1.2.7. Headings are for convenience only and do not form part of this Green Lease Schedule or affect its interpretation.
- 1.2.8. As far as possible all provisions must be construed so as not to be invalid, illegal or unenforceable.
- 1.2.9. If anything in this Green Lease Schedule is unenforceable, illegal or void then it is severed and the rest of this Green Lease Schedule remains in force.
- 1.2.10. If a provision cannot be read down, that provision will be void and severable.
- 1.2.11. Words of inclusion are not words of limitation.
- 1.2.12. No rule of construction will apply to disadvantage a Party on the basis that it put forward this Green Lease Schedule.
- 1.2.13. Reference to a thing is a reference to all or part of that thing.
- 1.2.14. Unless the context requires or is otherwise stated in this Green Lease Schedule a Party’s obligations under this Green Lease Schedule:
- will be performed at its cost;
 - will be performed throughout the term of the Lease;
 - where the cost is incurred by the Landlord must not be passed on directly or indirectly to the Tenant; and
 - where the cost is incurred by the Tenant must not be passed on directly or indirectly to the Landlord.
- 1.2.15. Unless otherwise stated, if a Party’s consent or approval is required under this Green Lease Schedule:
- a. the requested Party will consider and respond to the request promptly;
- the consent or approval will not be unreasonably withheld;

the requested Party may require the requesting Party to comply with reasonable conditions before giving its consent provided that

the requested Party is not entitled to require the requesting Party to pay its costs in connection with the request;

if the requested Party is the Landlord it will not pass on any cost incurred in connection with the request or consent directly or indirectly to the Tenant;

if the requested Party is the Tenant it will not pass on any cost incurred in connection with the request or consent directly or indirectly to the Landlord; and

all reasonable conditions accompanying or otherwise related to the consent or approval must be in writing; and

the consent or approval is not effective unless in writing.

1.2.16. If any conflict arises between the terms and conditions contained in the Lease and any clauses or parts of the clauses of the Green Lease Schedule, then unless the terms and conditions contained in the Lease expressly provide that they prevail over the Green Lease Schedule, the clauses (or the relevant parts of the clauses) of the Green Lease Schedule prevail to the extent necessary to resolve the conflict.

1.2.17. If any conflict arises between any part of the Green Lease Schedule and any part of an attachment to it, the part of the Green Lease Schedule which does not comprise an attachment prevails.

1.2.18. A reference to the Green Lease Schedule or any provision of it includes the Green Lease Schedule or any of its provisions as amended or replaced from time to time by agreement in writing between the parties.

2. Green Lease Schedule forms Part of Lease

2.1. Green Lease Schedule incorporated into Lease

2.1.1. This Green Lease Schedule is incorporated into and forms part of the Lease.

PART 2 - BUILDING MANAGEMENT COMMITTEE

3. Building Management Committee

3.1. Building Management Committee

3.1.1. Within 10 Working Days of the Commencement Date the Landlord and the Tenant will establish the Building Management Committee which will operate for the term of the Lease.

3.1.2. The Building Management Committee will comprise the Landlord's Energy Representative and the Tenant's Energy Representative as notified under clause 3.1.6.

3.1.3. The Landlord's Energy Representative and the Tenant's Energy Representative do not need to be accredited experts or hold specialist qualifications but will have the competence and the authority of the respective Parties to:

properly and effectively administer the respective obligations of the Landlord's Energy Representative and the Tenant's Energy Representative as they relate to the Building Management Committee;

make decisions on behalf of the relevant Party within the scope of the Building Management Committee's functions and responsibilities;

issue information and notices and communicate on behalf of the relevant Party in the context of the Building Management Committee; and

take action on behalf of the relevant Party to facilitate performance by the Building Management Committee of its functions and responsibilities.

3.1.4. For the avoidance of doubt, the Parties agree that the role of the Building Management Committee is one of discussion, consultation and recommendation. The Landlord's Energy Representative and the Tenant's Energy Representative are not entitled to exercise any legal rights or remedies of the Parties under this Green Lease Schedule including, but not limited to:

a. any approval or variation of the Energy Management Plan;

any alteration to the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard ;

enforcing the rights and remedies of the relevant Party;

binding the relevant Party to doing or refraining from doing anything;

engaging in any remedial action under clause 9 of this Green Lease Schedule, including issuing a Remedial Notice or agreeing a Remedial Plan; or

determining the position of a Party in relation to any difference or dispute which may arise under this Green Lease Schedule.

3.1.5. Nothing in clause 3.1.3 is to be construed as entitling the persons performing the role of the Tenant's Energy Representative and the Landlord's Energy Representative to bind the respective Parties unless those persons:

are also the nominated representatives of the respective Parties under the Lease in a capacity other than as the Landlord's Energy Representative and the Tenant's Energy Representative; and

are empowered to bind the respective Parties by virtue of other provisions of the Lease.

3.1.6. Each Party will notify:

the other Party within 10 Working Days of the Commencement Date of the name and contact details of the Landlord's Energy Representative and the Tenant's Energy Representative; and

the other Party of the name and contact details of any replacement of the Landlord's Energy Representative or the Tenant's Energy Representative from time to time.

3.1.7. The Building Management Committee will meet quarterly or as otherwise recommended by the Landlord's Energy Representative and the Tenant's Energy Representative and approved by both Parties for the purposes of addressing any matters or issues which arise under the Green Lease Schedule. A preliminary protocol for the Building Management Committee appears at Annexure A and this will apply until it is otherwise varied by agreement between the Landlord's Energy Representative and the Tenant's Energy Representative.

3.1.8. The Building Management Committee will produce and maintain for the term of the Lease, written minutes of each meeting which will be approved and signed by the Landlord's Energy Representative and the Tenant's Energy Representative within 10 Working Days of each meeting.

3.1.9. The Parties agree that it is essential to maintain all information, including energy data for the Premises and Building (which for the avoidance of doubt includes the base building services), plans, documents, maintenance contracts, specifications, maintenance reports and maintenance schedules necessary to:

enable an Accredited Assessor to assess, report on and authorise the issuing of an Accredited Rating Certificate for the Target NABERS Energy Rating;

as far as reasonably practicable, enable a Expert appointed under clause 10 of this Green Lease Schedule to carry out any and all of his functions and obligations in accordance with the terms of this Green Lease Schedule; and

establish the extent of compliance by the Landlord and the Tenant with their respective obligations under this Green Lease Schedule.

3.1.10. The Landlord and the Tenant:

will be aware of and approve the location for the storage of the reports and other information held by the Building Management Committee;

will take all necessary steps to ensure the security of those reports and information; and

will keep the reports and information confidential except to extent necessary:

to comply with a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body);

to enable the Parties to perform their roles and obligations under the Lease; or

to enable an Expert to exercise his powers and perform his role and obligations under this Green Lease Schedule.

3.1.11. The Landlord and Tenant will provide to the Building Management Committee and give the Building Management Committee unfettered access to the

information required by clause 3.1.9 which they hold or should hold according to their respective roles and responsibilities under the Lease (including this Green Lease Schedule). This clause does not require the Parties to disclose information which would otherwise be confidential. In the case of the Tenant this clause does not require the Tenant to disclose information which is not to be disclosed because of a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body).

- 3.1.12. The Parties will provide to the Building Management Committee the information pertaining to their respective obligations under this Green Lease Schedule as required by clause 3.1.9 to the extent that it is practicable for each Party to do so. This clause does not require the Parties to disclose information which would otherwise be confidential. In the case of the Tenant this clause does not require the Tenant to disclose information which is not to be disclosed because of a Requirement, Commonwealth policy or Commonwealth direction (including the direction of a Minister or any officer or employee with appropriate authority of a relevant Commonwealth department, agency, corporation or other Commonwealth body).
- 3.1.13. The Parties will provide copies of all reports required by this Green Lease Schedule to the Building Management Committee. An indicative list of the reports typically required to be provided to the Building Management Committee is included in the Building Management Committee Protocol annexed to this Green Lease Schedule at Annexure A.
- 3.1.14. In addition to the specific functions specified in this Green Lease Schedule, the Building Management Committee may act as a vehicle for considering Energy Intensity Improvements and consultation on other issues arising from this Green Lease Schedule, and for proposing recommendations and solutions to the Parties on matters arising from or relevant to this Green Lease Schedule.
- 3.1.15. The Landlord and the Tenant will bear their own costs in connection with the establishment and operation of the Building Management Committee and will not pass on to each other directly or indirectly the costs for which they are each responsible under this clause 3.

PART 3 - GREEN LEASE PERFORMANCE

4. National Australian Building Environment Rating System

4.1. NABERS Rating

4.1.1. The Parties agree that:

the Landlord will ensure that the Target NABERS Energy Rating is achieved within 3 months of the first anniversary of the Commencement Date and maintained for the term of the Lease; and

subject to the Landlord complying with its obligations under the Lease (including this Green Lease Schedule) and to the Tenant's obligations and rights under the Lease (including this Green Lease Schedule), the Tenant will manage its energy consumption in the Premises at a level which is the same as a Tenancy NABERS Energy Standard so as to support the Landlord to achieve and maintain the Target NABERS Energy Rating. The Tenant is not required to obtain an Accredited Rating Certificate to evidence compliance with its obligations under this Green Lease Schedule, but the Tenant will provide the necessary data and will co-operate with the Accredited Assessor undertaking the assessment of the Building needed to enable the Landlord to obtain the Accredited Rating Certificate evidencing the Target NABERS Energy Rating.

4.1.2. Within 3 months of each anniversary of the Commencement Date occurring during the term of the Lease the Landlord will deliver to the Tenant an Accredited Rating Certificate evidencing achievement of the Target NABERS Energy Rating.

4.1.3. The Landlord will arrange for the assessment of the Building to enable the Accredited Rating Certificate required by clause 4.1.2 to be issued. The cost of the Accredited Assessor in assessing the Building for the purpose of obtaining the Accredited Rating Certificate referred to in clause 4.1.2 will be borne by the Parties in equal shares.

Audit

4.1.4. If a Party:

reasonably considers that there are circumstances which warrant the other Party providing evidence of the other Party's compliance with its obligations relating to or impacting on the achievement and maintenance of the Target NABERS Energy Rating or the Tenancy NABERS Energy Rating (as the case may be); and

requests the other Party in writing to provide this evidence

then the other Party will provide the evidence sought within 20 Working Days of the requesting Party's request (or within such other period agreed by the Parties). This clause 4.1.4 does not limit any other rights of the Parties relating to any failure of either Party to comply with its obligations under this Green Lease Schedule.

4.1.5. If the information provided under clause 4.1.4 demonstrates that there is a genuine possibility that the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard (as the case may be) will not be achieved or maintained, or if the relevant Party fails to supply the evidence sought within the time required by clause 4.1.4, then either party may request an audit of the Energy Intensity of the Building.

4.1.6. The audit under clause 4.1.5 may not be requested more than once every 12 months and the Party requesting the audit will act reasonably and in good faith in making that request.

4.1.7. The audit under clause 4.1.5 will be undertaken by an Expert and the request for appointment of the Expert will be made by the Party requesting the audit.

4.1.8. The Expert:

will identify any non-compliance with the requirements necessary for the achievement or maintaining of the Target NABERS Energy Rating g or the Tenancy NABERS Energy Standard by either Party, having regard to their respective obligations under the Lease (including this Green Lease Schedule);

advise who or what is responsible for the non-compliance;

advise what needs to be done to rectify non-compliance;

advise which Party is responsible for rectifying non-compliance and who will bear the costs of rectification (or if both the Landlord and the Tenant in what proportions); and

if a Party is responsible for non-compliance, will determine the costs (if any) which that Party is to reimburse to the other Party in respect of any additional costs incurred by the other Party as a result of the non-compliance.

4.1.9. The conclusions of the Expert under clause 4.1.8 will be final and binding on the Parties.

4.1.10. The cost of the audit is to be shared equally between the Parties or as determined by the Expert.

4.1.11. If the Expert determines that a Party is responsible for non-compliance then:

that Party will rectify the non-compliance within the time specified by the Expert; and

if costs are payable under clause 0 the relevant Party will pay the cost determined within 20 Working Days of receiving the Expert's written notice of determination.

Improved NABERS Energy Rating

4.1.12. The Parties agree that:

not later than 3 months after each anniversary of the Commencement Date; and

on any Major Refurbishment occurring during the term of the Lease

the Parties will meet and will consider in a reasonable and cooperative manner whether an Improved NABERS Energy Rating can be achieved which is consistent with the Australian Government Operation Energy Efficiency Policy targets for new leases and Major Refurbishments applicable at that time.

4.1.13. If the Parties agree in writing under clause 4.1.12 that an Improved NABERS Energy Rating is to be achieved, the Parties will take the relevant steps within their respective areas of responsibility to ensure that the Building and/or the Premises satisfies the Improved NABERS Energy Rating requirements, and that (in so far as the Improved NABERS Energy Rating relates to the Target NABERS Energy Rating) a new Accredited Rating Certificate evidencing the Improved NABERS Energy Rating is issued.

The Improved NABERS Energy Rating will apply from the date agreed by the Parties in writing.

On and from the date referred to in clause 0 the Improved NABERS Energy Rating, as it applies to the Landlord will be treated as the Target NABERS Energy Rating or the Tenant's NABERS Energy Rating and this Green Lease Schedule will be deemed to be varied to reflect the Improved NABERS Energy Rating.

5. Energy Intensity Provisions

5.1. Improvements and Maintenance

5.1.1. The Landlord will ensure that all maintenance contracts for the Building services include:

requirements that the Building services must perform in a way which will not hinder the Target NABERS Energy Rating (and where appropriate the Tenancy NABERS Energy Standard) from being achieved and maintained including that energy consumption of the base building services does not exceed that required to meet the Target NABERS Energy Rating;

reasonable obligations by the contractor and supplier which support the Landlord's obligations and which do not have the effect of hindering the ability of the Tenant to maintain the Tenancy NABERS Energy and the ability of the Landlord to maintain the Target NABERS Energy Rating;

a requirement that maintenance contractors at all times maintain and provide to the Landlord manuals and other information relevant to the maintenance and performance of the Building services; and

a requirement that on any change of contractor the outgoing contractor must assign to the Landlord all warranties (which have not already been assigned to the Landlord) relating to the Building services and provide all manuals and other information relevant to the maintenance and performance of the Building services to the incoming contractor and/or to the Landlord.

If at the Commencement Date the Landlord demonstrates to the Tenant:

that it already has in place maintenance contracts which do not comply with clause 5.1.1 (Non-Compliant Contracts); and

that is not feasible for it to amend the Non-Compliant Contracts so that they comply with clause 5.1.1 (taking into account the remainder of the term of the relevant Non-Compliant Contracts and the costs associated with seeking to amend them)

then the Landlord is relieved of its obligations under clause 5.1.1 (but only to the extent that the Non-Compliant Contracts do not comply). Once the Non-Compliant Contracts have expired the Landlord will ensure that any new maintenance contracts or any extension or renewal of the Non-Compliant Contracts comply with clause 5.1.1.

5.1.2. The Landlord:

within 3 months after each anniversary of the Commencement Date; or

at other times within 10 Working Days of a request by the Tenant

will produce to the Tenant copies of all maintenance contracts in place for the Building services including evidence of compliance with clause 5.1.1.

5.1.3. The Parties will not pass on to each other any costs (directly or indirectly) incurred by them in performance of this clause 0.

5.2. Energy Data Reports

5.2.1. By the tenth Working Day after the end of each quarter occurring during the term of the Lease the Landlord will provide to the Tenant quarterly energy data information (which show consumption data and cost) for the Building and common areas.

5.2.2. By the tenth Working Day after the end of each quarter occurring during the term of the Lease the Tenant will provide to the Landlord quarterly energy data information (which shows consumption data and cost) for the Premises.

5.2.3. The energy data information required by this clause will be in a form agreed by the Parties and if the Parties do not agree then the form will be determined by an Expert appointed under clause 10.

6. Energy Management Plan

6.1. Energy Management Plan Development and Implementation

6.1.1. Without limiting any other obligation of the Parties the following provisions apply to the development and implementation of an Energy Management Plan.

6.1.2. Within 3 months of the Commencement Date the Landlord and Tenant will use their best endeavours to agree on and sign an Energy Management Plan which will support the achievement of the requirements and objectives of the Australian Government Operations Energy Efficiency Policy at the time and this Green Lease Schedule.

6.1.3. The Energy Management Plan will be consistent with the terms and conditions of this Green Lease Schedule and as a minimum will include (but need not be limited to):

the strategies to be employed by the Landlord in achieving and maintaining the Target NABERS Energy Rating through the term of the Lease;

the strategies for maintaining and upgrading the Building (including services, systems, plant and equipment) so as to effectively manage the Energy Intensity of the Building and achieve Energy Intensity Improvements in the Building;

the strategies to be employed by the Tenant in managing its energy consumption in the Premises at a level which is the same as a Tenancy NABERS Energy Standard through the term of the Lease.

- 6.1.4. The Parties acknowledge that the Energy Management Plan is an important tool for achieving the objectives of this Green Lease Schedule and to this end the Parties will use their best endeavours to agree the Energy Management Plan. If the Parties are unable to agree on all or any components of the Energy Management Plan in time for it to be signed within 3 months of the Commencement Date they agree that either or both may refer the issue (or the entire Energy Management Plan if the Parties have not agreed any of it) for determination under clause 10.
- 6.1.5. Subject to clause 6.1.7 the Energy Management Plan applies from the date it is signed by the Parties.
- 6.1.6. The Parties will not unreasonably delay the signing of the Energy Management Plan. If any component of the Energy Management Plan has not been agreed or has been referred for determination under clause 10 and the issue has not been agreed or determined within 3 months of the Commencement Date the Parties agree to sign the Energy Management Plan so that it contains the agreed components and to vary it in writing once any outstanding component has been agreed or determined.
- 6.1.7. A sample Energy Management Plan appears at Annexure B and if the Energy Management Plan is not agreed or not referred and determined under clause 10, the sample Energy Management Plan will be treated as the agreed Energy Management Plan with effect from the date which is 3 months after the Commencement Date until the Parties agree on an alternative Energy Management Plan or until an alternative Energy Management Plan or a variation to the sample Energy Management Plan is determined by the Expert under clause 10.
- 6.1.8. The Parties will provide:
a signed copy of the Energy Management Plan; or
where the sample Energy Management Plan applies under clause 6.1.7, a copy of that sample Energy Management Plan
to the Building Management Committee.
- 6.1.9. The Landlord and the Tenant will bear their own costs in connection with the cost of producing, reviewing and implementing the Energy Management Plan and their respective obligations under the Energy Management Plan. The Parties will not pass on to each other their costs directly or indirectly.
- 6.1.10. The Building Management Committee will review the Energy Management Plan from time to time but not less than once every 2 years and will refer any recommendations for amendment to the Landlord and the Tenant.
- 6.1.11. The Parties will act in good faith and use their best endeavours to reach agreement on the recommendations of the Building Management Committee and they will:

record in writing any amendment to the Energy Management Plan agreed by the Parties from time to time; and

provide a signed copy of the Energy Management Plan incorporating any agreed amendments from time to time to the Building Management Committee.

6.1.12. The Parties will comply with their respective obligations under the Energy Management Plan.

6.1.13. Each Party will monitor its performance of the Energy Management Plan and within 3 months of each anniversary of the Commencement Date will report to the other Party on its performance against the Energy Management Plan.

7. Metering

7.1. Separate Metering

7.1.1. The Landlord:

will ensure that from the Commencement Date the Premises are separately metered for electricity (with the meters being digital 30 minute on market status electricity meters), gas and water services (both hot and cold);

will ensure that the meters have an accuracy class suitable for customer billing and the meter register is readily accessible for billing;

agrees that if the Tenant requires, management of the meters will reside with the Tenant on installation; and

agrees that the Tenant is entitled to purchase its own electricity.

7.1.2. The Landlord:

will ensure that from the Commencement Date there is separate metering for electricity (with the meters being digital 30 minute on market status electricity meters), gas and water services (both hot and cold) for

central services in the Building including common areas; and

without limiting clause 7.1.1, all tenancy areas if this is required to achieve the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard.

7.1.3. The Landlord will not pass on any costs incurred under this clause 7 to the Tenant directly or indirectly.

PART 4 - GENERAL PROVISIONS APPLICABLE TO GREEN LEASE SCHEDULE

8. Reporting

8.1. Reporting

8.1.1. All reports provided in accordance with the provisions of this Green Lease Schedule will include the following information as a minimum:

a reasonably detailed assessment or description of the progress and performance of the Party/Parties against the relevant target, strategy or plan arising from the respective obligations under this Green Lease Schedule;

how the progress and performance was monitored over the relevant reporting period;

if progress or performance has not met the target, strategy or plan (or it appears that the annual target, strategy or plan will not be met), reasons for this failure, and detailed explanation of how this will be rectified and progress and performance improved;

measures to be taken during the next reporting period to ensure targets, strategies and plans are achieved;

if the target, strategy or plan is due to be revised a suggested new target, strategy or plan that where feasible and practicable improves on the previous target, strategy or plan, if possible drawing on experience detailed in the report and previous reports;

any cost savings that have been achieved for that reporting period; and

any other information relevant to the Parties' performance against the target, strategy or plan.

8.1.2. All reports will be written reports and a complete copy will be provided to:

the Landlord (where the report is prepared by or for the Tenant);

the Tenant (where the report is prepared by or for the Landlord); and

the Building Management Committee (where the report is prepared by or for the Tenant or the Landlord or otherwise for the purpose of this Green Lease Schedule).

8.1.3. The costs of preparing the reports will be borne by the Party responsible under this Green Lease Schedule for preparing them and will not be passed on to the other Party directly or indirectly.

9. Remedial Action

9.1. Remedial Action

9.1.1. If:

a Party has breached an obligation under this Green Lease Schedule; or

a Party repeatedly breaches its obligations under this Green Lease Schedule;

the other Party (Initiator) may give the defaulting Party (Recipient) a Remedial Notice. The Remedial Notice will be in writing and will request the commencement of dialogue or remedial action.

9.1.2. The Landlord and the Tenant will meet within 15 Working Days of the date of the Remedial Notice and will use their best endeavours to agree a Remedial Plan which:

a. sets out remedial action; and

contains a timetable for completion of the remedial action.

- 9.1.3. If the Parties fail to meet within 15 Working days and or fail to agree on a Remedial Plan, then subject to clause 0 the Remedial Plan (or any parts of it which have not been agreed by the Parties) will be determined by an Expert in accordance with clause 10 on the application of either Party.

9.2. Adjusted NABERS Energy Rating

- 9.2.1. If a Party reasonably believes that the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard(as the case may be) cannot be achieved (taking into account the matters in clause 9.2.2.a to clause 9.2.2.d) and that it should be reviewed then it may give written notice to the other Party specifying the reasons why the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard(as the case may be) cannot be achieved and requesting an Adjusted NABERS Energy Rating. Once this notice is given, the request for an Adjusted NABERS Energy Rating must be referred by either or both Parties for determination by an Expert appointed under clause 10. The Expert must take into account the matters in clause 9.2.2.a to clause 9.2.2.d in making his determination.

- 9.2.2. If in considering a Remedial Plan or a referral under clause 9.2.1 the Expert determines that:

- a. the Landlord and the Tenant have taken all proper measures to achieve the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Standard(as the case may be);
- b. the Landlord or the Tenant, or both as the case may be, has or have exhausted all reasonable avenues for Remedial Action in accordance with clause 9 of this Green Lease Schedule;
- c. the Landlord or the Tenant, or both as the case may be, has or have used best endeavours to comply with their respective obligations under the Lease (including all obligations under this Green Lease Schedule) which may in any way impact on or be relevant to the achievement of the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Standard; and
- d. the inability to achieve the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard is not due to any misrepresentation regarding the condition or capacity or the Building, the base building services or the Premises or deterioration in or failure of relevant parts of the Building, the base building services or the Premises or to activities in the Building or the Premises

then, the Expert may make a determination that there will be an Adjusted NABERS Energy Rating for the Target NABERS Energy Rating and/or the Tenancy NABERS Energy Standard provided that the Adjusted NABERS Energy Rating must be not less than a 4 star whole building NABERS Energy Rating (in the case of the Target NABERS Energy Rating) and/or a standard

which is consistent with a 4 star tenancy NABERS Energy Rating under NABERS (in the case of the Tenancy NABERS Energy Standard) (as the case requires).

- 9.2.3. On and from the date of the determination by the Expert under clause 9.2.2, the Adjusted NABERS Energy Rating, as it applies to the Landlord or the Tenant, or both, will become the Target NABERS Energy Rating or the Tenancy NABERS Energy Standard d (as the case may be) under this Green Lease Schedule for such time as the Expert may determine and this Green Lease Schedule will be deemed to be varied to reflect the Adjusted NABERS Energy Rating during the relevant period.

At any time which is no less than 12 months after an Expert has made a determination and issued an Adjusted NABERS Energy Rating, either Party may seek to have the original Target NABERS Energy Rating or the original Tenancy NABERS Energy Standard reinstated by requesting an Improved NABERS Energy Rating. A Party will act reasonably in making a request for an Improved NABERS Energy Rating. If a request is made the Parties will meet within 15 Working Days of the request and will consider in a reasonable and cooperative manner whether an Improved NABERS Energy Rating can be achieved.

- 9.2.4. If the Parties cannot agree whether an Improved NABERS Energy Rating can be achieved or if the Parties fail to meet within the time specified in clause 0 then either Party may apply to have the issue determined by an Expert in accordance with the procedure set out at clause 10 of this Green Lease Schedule.

- 9.2.5. If the Parties agree in writing under clause 0 that an Improved NABERS Energy Rating is to be achieved or an Expert determines under clause 9.2.4 that an Improved NABERS Energy Rating is to be achieved, the Parties will take the relevant steps within their respective areas of responsibility to ensure that the base building and/or the Premises satisfies the Improved NABERS Energy Rating requirements, and that a new Accredited Rating Certificate evidencing the Improved NABERS Energy Rating (where the Improved NABERS Energy Rating relates to the Target NABERS Energy Rating) is issued.

The Improved NABERS Energy Rating will apply from the date agreed by the Parties in writing or, where it has been determined by the Expert, from the date determined by the Expert.

On and from the date referred to in clause 0 the Improved NABERS Energy Rating, as it applies to the Landlord or the Tenant, or to both (as the case may be) will be treated as the Target NABERS Energy Standard or the Tenant's NABERS Energy Rating (as the case requires) and this Green Lease Schedule will be deemed to be varied to reflect the Improved NABERS Energy Rating.

9.3. Compliance with Remedial Plan

- 9.3.1. The Parties will comply with the Remedial Plan.

9.3.2. If the Recipient does not comply with a Remedial Notice under clause 9.1.1 or with clause 9.3.1, the Initiator:

may notify the Recipient in writing that it extends the period for remedial action; or

may give written notice (Enforcement Notice) to the Recipient notifying it that the failure to comply with the Remedial Notice and/or the Remedial Plan is a breach of the Lease (including this Green Lease Schedule); and

if the breach is capable of rectification, that unless the breach is rectified within the period specified in the Enforcement Notice (which period will be reasonable in the circumstances), the Initiator will be entitled to rectify the breach and claim its reasonable costs of rectification;

or

if the breach is not capable of rectification, that the Initiator claims compensation for loss or damage incurred by the Initiator as a direct result of the breach (and the Enforcement Notice in this case will specify in reasonable detail how the amount claimed has been computed).

9.3.3. If clause 0 applies and the breach is not rectified in the time specified in the Enforcement Notice:

the Initiator may rectify the breach;

the Recipient will allow the Initiator or its contractors access to the relevant parts of the Building or Premises (subject to any prior notice requirements for access contained in the Lease) for the purpose of rectifying the breach; and

the reasonable cost of rectification will be a cost due and payable by the Recipient to the Initiator following written demand from the Initiator specifying the amount claimed and reasonable detail on how the amount claimed has been computed.

Despite the Initiator's right to rectify the Recipient's breach under clause 9.3.3, if:

the Initiator is hindered in doing so by the Recipient or any other person, or

the Initiator decides that it is not practicable for it to rectify the Recipient's breach

the Initiator may demand compensation for loss or damage incurred by the Initiator as a direct result of the breach (including the cost of any reasonable endeavours in seeking to rectify the breach). The claim for compensation under this clause will specify in reasonable detail how the amount claimed has been computed.

9.3.4. If:

an amount is claimed by the Initiator under clause 0, and

the Recipient has not objected in writing to the amount claimed within 10 Working Days of the giving of the demand

the Recipient will pay the amount claimed within 40 Working Days of written demand. If the Initiator is the Tenant and the amount is not paid by the

Landlord within the 40 Working Day period the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

9.3.5. If:

an amount is demanded under clause 0 or clause 0; and

the Recipient has not objected in writing to the amount claimed within 10 Working Days of the giving of the Enforcement Notice

the Recipient will pay the amount claimed within 40 Working Days of written demand. If the Initiator is the Tenant and the amount is not paid by the Landlord within the 40 Working Day period the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

9.3.6. If the Recipient objects to an amount claimed by the Initiator under clause 0, clause 0 or clause 0 within the prescribed time then the dispute will be referred for resolution under clause 10 and any amount determined by the Expert will be paid within 40 Working Days of the Expert's determination. If the amount determined is payable by the Landlord and is not paid within 40 Working Days of the Expert's determination the Tenant, without prejudice to any other rights and remedies, may set off the amount against payments due under the Lease until the debt has been satisfied in full.

9.3.7. If:

an amount is payable and has not been paid by the time required by Clause 9.3.4 or clause 9.3.5; or

an amount payable has been referred for resolution in accordance with clause 9.3.6 and has not been paid by the time required by clause 9.3.6

then the Party to whom the amount is due may institute proceedings in a court of competent jurisdiction to recover the amount. This clause 9.3.7 does not limit the Tenant's rights of set off under clause 9.3.4, clause 9.3.5 and clause 9.3.6.

9.3.8. The rights in clause 9 are in lieu of any of the rights which the Parties may have under the Lease for breach of this Green Lease Schedule . Except for any remedies contained in this clause 9 or elsewhere in this Green Lease Schedule the Parties will not rely on any other remedies available under the Lease or otherwise for breach of this Green Lease Schedule.

10. Resolution of Green Lease Schedule Disputes

10.1. Dispute Resolution

10.1.1. Any difference or dispute between the Parties arising under the provisions of this Green Lease Schedule which is not resolved within 10 Working Days after notice by one Party to the other of the nature of the difference or dispute may be referred by either Party for determination by an Expert who is an appropriate practising professional with the relevant expertise in the subject matter of the

difference or dispute. For the avoidance of doubt any difference or dispute between the Landlord's Energy Representative or the Tenant's Energy Representative on the Building Management Committee and which needs to be resolved to give efficacy to this Green Lease Schedule is also covered by this clause 10.

- 10.1.2. The Expert will be appointed at the request of either Party by the President or senior official of the Australian Institute of Arbitrators and Mediators in the State or Territory where the Building is located. Production of this clause will be sufficient evidence of the right to make the request. The President or senior official will be asked to appoint the Expert within 10 Working Days of the request.
- 10.1.3. Each Party may make a submission either orally or in writing to the Expert within 10 Working Days after that appointment.
- 10.1.4. In making a determination the Expert will:
- act as an expert and not as an arbitrator;
 - consider any submission made to it by a Party;
 - deliver his determination within 10 Working Days after the last day on which the Parties are entitled to make submissions; and
 - provide the Parties with a written statement of reasons for the determination.
- 10.1.5. The determination of the Expert is conclusive and binding on the Parties.
- 10.1.6. The costs of the Expert will be shared equally between the Parties.
- 10.1.7. If the Expert fails to deliver a determination within 10 Working Days after the last day on which the Parties are entitled to make submissions, either Party may require the appointment of a further Expert under clause 10.1.1 and clause 10.1.2 to determine the dispute.

ANNEXURE A - BUILDING MANAGEMENT COMMITTEE PROTOCOLS

- 1 Meetings will be held on ^{^insert day^} of each month occurring during the term of the Lease.
- 2 The first meeting will be held 1 month after the Commencement Date.
- 3 Meetings will be held at ^{^insert venue^} or as otherwise agreed by the Landlord's Energy Representative and the Tenant's Energy Representative.
- 4 Written minutes of each meeting will be taken and the responsibility or this will rotate between the Landlord's Energy Representative and the Tenant's Energy Representative ^{^or insert other agreed arrangement^}.
- 5 ^{^Insert agreed arrangements for chairing^}
- 6 ^{^Insert agreed arrangements for minute taking^}
- 7 Any difference or dispute between the Landlord's Environment Representative and the Tenant's Environment Representative which needs to be resolved to give efficacy to this Green Lease Schedule may be referred for resolution under clause 10 by either Party.
- 8 Reports and other information held by the Building Management Committee will be stored at ^{^insert address^} and the Building Management Committee will take necessary steps to ensure the security and confidentiality of those reports and information in accordance with the Green Lease Schedule.
- 9 The Building Management Committee will provide to a Party on request any copies of any information or reports relating to the Building, Premises or the Lease (including this Green Lease Schedule) held by the Building Management Committee and will inform the other Party that it has done so.
- 10 ^{^These will vary from case to case - the following are examples.}

*Reports **typically required** : Several building reports are produced to manage the building such reports include: Engineering, mechanical, electrical lifts, hydraulics, fault , capital works, minor works, OH&S if applicable, service, energy accounts 30 minute data, Tenant light and power and building services, mandatory maintenance and testing, BMS, planned maintenance, out of hours operation log, fault reports and energy 30 minute data and accounts.*

Identifying the key reports such as HVAC, maintenance and energy accounts that will need to be scrutinized. Building fault reports will also be a key indicator for energy efficiency issues^
- 11 The Landlord's Energy Representative and the Tenant's Energy Representative must familiarise themselves, be aware of and comply

with the Building Management Committee Protocols and the Energy Management Plan.

12 ^Insert any other protocols required^

ANNEXURE B -ENERGY MANAGEMENT PLAN

ANNEXURE C - OPTIONAL CLAUSES