



## **The Proposed Works**

### **Need**

#### **Space**

- 2.1 PM&C's current premises at 3-5 National Circuit in Barton provides accommodation measuring 11, 367m<sup>2</sup>.
- 2.2 In recent years, PM&C's responsibilities and staffing levels have grown as the Department has hosted various task forces, created a National Security Division and enhanced its Cabinet support role with the establishment of a Cabinet Implementation Unit.
- 2.3 Originally configured for 350 people, the existing building presently accommodates 450 employees. The building is stretched to capacity and staff amenity is reduced as a consequence. The pressure on space has been exacerbated by:
  - the building's inflexible design layout (load bearing columns are interspersed throughout the floorplate); and
  - inadequate funding for the accommodation of additional staff.<sup>1</sup>

#### **Security**

- 2.4 The current building was constructed between 1976 and 1980 and was originally tenanted by the Public Service Board (PBS). It has proved difficult for PM&C to install security measures appropriate to its particular needs. Specifically:

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1 Appendix C, Submission No. 1, paragraph 1.2

- the building is bisected by a roadway;
  - the building design is one of layers from the ground floor up leaving overhangs between the floors (a security risk); and
  - the design of the building, with its three distinct cores and glass enclosed walkways between them makes it difficult to provide a totally secure work space for staff, with one walkway visible to the general public.<sup>2</sup>
- 2.5 Over time, PM&C has adapted the building to meet its operational requirements for perimeter security, secure meeting rooms and other secure environments. In so doing, additional problems have arisen. Space which was originally designed to be open plan has been partitioned to create secure areas. As a result air conditioning flows have been disrupted, further reducing staff amenity.<sup>3</sup>
- 2.6 Given the building's unique design and lack of security consideration at the time of construction, and the demands of a changing global security climate, PM&C is finding it increasingly difficult to ensure that all appropriate security measures are put in place in the existing premises.<sup>4</sup>

## Scope

- 2.7 PM&C intends to lease the new 1 National Circuit building for fifteen years, with one five-year option, and will be undertaking its own fit-out.
- 2.8 Works required to meet PM&C's objectives comprise:
- integration of electrical, mechanical, communications, security, fire and hydraulic services into base-building works;
  - fit-out to meet PM&C's operational requirements, including special security measures;
  - general office fit-out, including reception facilities, security-controlled access, open plan work areas and enclosed offices, workstations, meeting rooms, a computer room, storage facilities, conference and training facilities, first aid rooms, amenities rooms, a café, a nursing mothers' room, kitchens, showers and lockers, and secure areas.<sup>5</sup>

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2 Appendix C, Submission No. 1, paragraphs 1.2.1 and 1.4.8

3 ib id, paragraph 1.4.7 and paragraph 1.4.8

4 ib id, paragraph 1.4.9

5 ib id, paragraph 2.2.2

## Purpose and Suitability

- 2.9 PM&C's proposal seeks to:
- address the issue of lease expiration (the current lease expires on 28 February 2007);
  - provide sufficient space for the Department's current and future needs in an efficient and cost-effective manner;
  - satisfy security requirements; and
  - maintain the Department's position in the required location, close to Parliament House and other key government departments in Barton.<sup>6</sup>

## Cost

- 2.10 The total estimated cost of the proposed fit-out project is \$23 million. These costs include:
- workstations and loose furniture;
  - joinery, fittings and compactus units;
  - partitions, ceilings and doors;
  - services;
  - preliminaries;
  - project management and consultants' fees;
  - contingencies;
  - escalation to completion; and
  - miscellaneous.<sup>7</sup>

## Value for Money

- 2.11 PM&C believes the proposed development to be a cost-effective property solution. PM&C's current building owner Industry Superannuation Property Trust (ISPT) is the developer of 1 National Circuit. This offers a number of advantages. Specifically, ISPT;
- has a proven professional record;

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<sup>6</sup> Appendix C, Submission No. 1, paragraphs 1.15, 1.2.1 and 1.3.1

<sup>7</sup> ib id, paragraph 2.18.1

- will allow an extension of the current lease if there are delays to the construction; and
  - can grant the Department concessions on its requirement to make good the current building.<sup>8</sup>
- 2.12 As PM&C will be the sole tenant of the 1 National Circuit property, there are also operational and financial advantages to be gained from incorporating PM&C's special requirements into the base-building structure.
- 2.13 In addition, PM&C is negotiating monetary incentives with ISPT in relation to the lease agreement.<sup>9</sup>
- 2.14 In terms of broader public value, it is expected that some direct employment opportunities will be created by the construction and fit-out of the proposed building.<sup>10</sup>

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8 Appendix C, Submission No. 1, paragraph 1.4.3

9 ib id, paragraph 1.9.1

10 ib id, paragraph 2.17.1