



**Australian Government**

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**Department of Agriculture,  
Fisheries and Forestry**

Proposed Fit-out of New Leased Premises  
for the Department of Agriculture, Fisheries and Forestry

at

18 Marcus Clarke Street and  
3-5 London Circuit, Civic, ACT

Statement of Evidence and Supporting Drawings

to the

Parliamentary Standing Committee on Public Works

January, 2006

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# 1 IDENTIFICATION OF THE NEED

## 1.1 Objectives

1.1.1 The Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) is responsible for Australia's agricultural, fisheries, forestry and food industries. Its role is to increase the competitiveness, profitability and sustainability of these industries through:

- ◆ Sustainable use and management of the natural resources;
- ◆ Protecting the health and safety of our plant and animal industries;
- ◆ Responsive and efficient industry;
- ◆ Improved market access and performance;
- ◆ Benefiting from new technology and practices; and
- ◆ Skilled, financially self-reliant producers.

1.1.2 The Department employs around 4200 staff working in Australia and overseas. Our staff include policy officers, program administrators, scientists, economists, meat inspectors, veterinary officers and quarantine inspectors.

1.1.3 The Department's mission is:

*Increasing the profitability, competitiveness and sustainability of Australian agricultural, fisheries, food and forestry industries and enhancing the natural resource base to achieve greater national wealth and stronger rural and regional communities.*

1.1.4 DAFF is seeking to provide employees with a modern, efficient work environment which will meet their needs for at least the next 15 years. This objective will be met by securing a lease in a new, “A” grade building which meets all of the Commonwealth’s environmental and security guidelines and by providing a new fit-out. The new fit-out will take advantage of the latest technology and be designed to reduce churn costs by adopting a modular, generic approach to the provision of workspace and office sizes.

1.1.5 By relocating to a new building, DAFF will realise a number of operational and administrative efficiencies, including:

- ◆ A cost effective, value for money property solution;
- ◆ Advantages from technological improvements in information technology and communication services;
- ◆ Improvements in infrastructure, e.g. security, staff amenities, conference/meeting facilities and meeting Commonwealth energy and waste management targets;
- ◆ Efficient allocation and utilisation of work space and resources.

## **1.2 Historical Background**

1.2.1 The Department’s central office in Canberra is accommodated primarily in the Edmund Barton Building, Kings Avenue, Barton with some overflow into the nearby Bligh House, 6 National Circuit, Barton.

1.2.2 The Australian Plague Locust Commission also occupies space in Fyshwick, ACT and the Australian Quarantine and Inspection Service has a presence at the Canberra airport facility. These are operational properties and are not impacted by this proposal.

- 1.2.3 The Edmund Barton Building (EBB) was constructed by the Commonwealth in 2 stages between 1973 and 1977 and provides 36,250 sq metres of office space, 9,404 sq metres of core and basement storage, a conference centre of 410 sq metres and 234 basement and undercroft parking spaces. The building is constructed in the form of two interconnecting rectangles with a core at each of the 6 intersections providing 7 wings of office space over 5 levels. Each of the 6 cores provides lifts, fire stairs, amenities and ground floor lobbies.
- 1.2.4 The building was designed by Harry Seidler AO, OBE who maintains moral rights over the building's architectural features. The building also has heritage listing which prevents any alterations to the building structure and its landscaped courtyards without the approval of the Minister for Environment and Heritage.
- 1.2.5 Apart from a Building Code of Australia (BCA) upgrade completed in 2000 and ground floor lobby refurbishment in 2004, the building is in its original condition. It does not comply with existing BCA, Disability Access or Commonwealth Energy and Security Guidelines and is in need of extensive refurbishment to bring it up to current Commonwealth standards.
- 1.2.6 DAFF's existing fit-out was progressively installed in the early 1990's and is beyond its economic life. The owner's obligation to recarpet the building in 2002 was deferred due to the cost to the Department of uplifting its fit-out.
- 1.2.7 The main deficiencies of the building are listed below:
- ◆ the outdated perimeter induction unit air conditioning system cannot provide adequate temperature control for the office environment;

- ◆ ceilings, lighting and floor coverings are dilapidated and need replacement;
- ◆ toilets and showers have the original tiles, fixtures and fittings and are in need of refurbishment;
- ◆ the carpet is 15 years old and requires constant patching to avoid OH&S risks;
- ◆ the building does not comply with current BCA or disability access requirements e.g. lifts, door widths and toilets;
- ◆ the size and layout of the building make it extremely difficult to secure. Physical guarding is the most effective but is very expensive;
- ◆ the building's size and layout is not conducive to interpersonal communication, with business units tending to become isolated due to their physical location;
- ◆ way finding is problematic for both staff and visitors;
- ◆ the building has limited energy saving systems and does not have a current Australian Building Greenhouse Rating (ABGR);

1.2.8 As indicated above the size and layout of the building make it inefficient and extremely difficult to secure resulting in the Department being unable to achieve the Government's security requirements as specified in the Australian Government Protective Security Manual 2005 (PSM). The main deficiencies of the EBB in this respect are:

- ◆ The basement areas, which cover around 80% of the site, including the car-park, have multiple access points;
- ◆ The Edmund Barton Conference Centre has direct access to the basement areas and is used by other agencies, private organisations and members of the public;

- ◆ Multiple access points provided by the 6 ground floor lobbies require a high level of expenditure on guarding services to maintain building security. Consequently 2 cores have been closed down which adversely affects entry and egress;
- ◆ A building fire alarm causes all exits in the 6 cores to unlock;
- ◆ During business hours the basement car park is only secured by boom gates across the ingress and egress ramps, consequently bicycle and pedestrian access is possible; and
- ◆ The building under-croft parking and quadrangle areas are accessible at all times by both vehicular and pedestrian traffic.

1.2.9 In summary, the building requires a major refurbishment to bring it up to a standard suitable for continued long term occupation. Restrictions imposed by the building structure and its heritage listing make it difficult to achieve Commonwealth and other statutory specifications without incurring significant costs.

### **1.3 Existing Lease Details**

1.3.1 DAFF currently leases 30,852 sq metres of office, 1,534 sq metres of core storage, 6,698 sq metres of basement storage, a 410 sq metre conference facility and 211 car spaces in the Edmund Barton Building at an annual rental of \$10,567,143 per annum.

1.3.2 The average rental rate for the office space in Edmund Barton Building is \$290 per square metre per annum (psmpa) and \$155 psmpa for storage.

1.3.3 The lease expires on 28<sup>th</sup> February, 2007 with no option of renewal.



1.3.4 DAFF also leases 1,777 sq metres of office space in Bligh House, 6 National Circuit, Barton at a rental of \$471,064 (\$265 psmpa) expiring 30 June, 2008.

1.3.5 Other tenancies within the EBB building are as follows:

- ◆ Australian Public Service Commission 3,416 sq metres
- ◆ Department of Environment & Heritage 1,692 sq metres
- ◆ Betrusted (basement computer space) 1,102 sq metres
- ◆ Spotless facility management office 359 sq metres

1.3.6 The APSC, DEH and Spotless leases also expire on 28<sup>th</sup> February, 2007. The Betrusted lease expires on 31<sup>st</sup> May 2009.

1.3.7 The building is owned by the Stockland Trust Group.

## **1.4 Need**

1.4.1 EBB accommodates most of DAFF's 1,750 head office employees. Employee growth due to an increased focus on quarantine, bio-security activities and the expansion of Biosecurity Australia, combined with decisions to bring certain outsourced functions back in house, have been considered in determining the Department's long term staffing levels.

1.4.2 A new long term commitment for office space should be capable of accommodating up to 1,900 staff requiring between 31,000 to 32,000 sq metres of office space. This area requirement is based on an average space allocation of 16.5 sq metres per person. The existing EBB office space allocation is between 17.6m<sup>2</sup> to 18.6 m<sup>2</sup> per person which includes a number of inefficiencies such as large numbers of meeting and conference rooms which have evolved over time.

- 1.4.3 EBB is unique in the amount of basement and core storage space available within the building. DAFF leases a total of 6,674 sq metres of basement and 1,534 sq metres of core storage space at a rental of \$1,277,002 per annum. Whilst a large proportion of this space is underutilised, the location and configuration of the space has made it impractical to sub-lease.
- 1.4.4 DAFF has determined that the most efficient and cost effective solution is to establish a file storage and archival facility off site in a lower rental, non-commercial area. This proposed facility does not form part of this proposal.
- 1.4.5 The need for the proposed new office facility has been driven by increases in staff numbers and the approaching expiry of the Edmund Barton Building lease in February 2007.
- 1.4.6 DAFF has examined 3 options for its future accommodation from February, 2007. These are:
- ◆ Remaining in the existing premises with no refurbishment;
  - ◆ Refurbishment of the existing premises;
  - ◆ Relocation to a new commercial building.
- 1.4.7 On evaluation of the three options, DAFF has determined that relocation to a new building offers significant operational advantages and is the most cost effective solution.
- 1.4.8 The disruption and cost of a refurbishment of the EBB has been a major consideration in the decision to relocate to new premises.

## **1.5            *The Proposal***

- 1.5.1        The proposal is to lease the whole of a proposed new building known as 18 Marcus Clarke St with overflow of office space into the adjacent new building known as the NICTA Building at 3-5 London Circuit, Civic.
  
- 1.5.2        As the Department is still in the process of space planning for the new buildings, the final area required has not been determined, but will not exceed 31,352 sq metres of office space.
  
- 1.5.3        The development known as 18 Marcus Clarke St is located on Block 16, Section 61, City. The building will provide a net lettable area of 27,097 sq metres of office space over 12 levels with basement storage of 581 sq metres and parking for 231 vehicles. Average office floor plate size is 2,400 sq metres.
  
- 1.5.4        The lease of 18 Marcus Clarke St will be for the whole building for a term of 15 years with two options of renewal for terms of 5 years each.
  
- 1.5.5        The Agreement for Lease allows DAFF to hand back to the Lessor any of the ground floor areas it does not require. It is probable that an area of around 300 m<sup>2</sup> will be handed back to the Lessor for lease as a café.
  
- 1.5.6        The development known as 3-5 London Circuit is located on Block 14, Section 61, City will comprise 2 separate buildings with a common entry foyer and basement. The smaller of the two buildings is known as the NICTA building and is wholly pre-committed to National Information and Communications Technology Australia (NICTA). The other building will provide a net lettable area of 11,217 sq metres over 6 levels with basement parking for 150 vehicles. Average floor plate size is 2,120 sq metres.

- 1.5.7 The lease of 3-5 London Circuit will be for the whole of Levels 3 and 4, approximately 4,255 sq metres, for a term of 15 years with two options of renewal for terms of 5 years each. The lease will also include basement parking for 36 vehicles.
- 1.5.8 The Agreement for Lease allows DAFF to hand back to the Lessor one whole floor should its final space planning indicate that the floor is not required.
- 1.5.9 Both leases will commence on practical completion of the buildings, both of which are programmed for October, 2007.
- 1.5.10 A lease incentive offered by the Lessor is to be used for construction of the fit-out.
- 1.5.11 Both buildings will be A Grade quality and offer the latest technology in building services. The key features of the buildings are:
- ◆ Large efficient floor plates;
  - ◆ Minimum 4 with target 4.5 star Australian Building Greenhouse Rating (ABGR) and target 5 star sustainable performance (green star) rating;
  - ◆ Basement showers, lockers and bicycle parking;
  - ◆ Close proximity to retail and service facilities, public transport and adequate paid parking; and
  - ◆ A single access point for security purposes.
- 1.5.12 The fit-out works will be integrated with construction of the base building. DAFF's design consultant will prepare the office layouts

and fit-out brief which will be provided to the base building design team to prepare the detailed fit-out documentation jointly with the base building documentation. Construction of the base building and fit-out will be done concurrently with DAFF paying for the fit-out components.

The fit-out works to be undertaken include:

- ◆ Integration of services into the base building works including electrical, air conditioning, ventilation, lighting control, data communications, security, fire and hydraulic services;
- ◆ Office accommodation including partitioning for individual offices, meeting and conference rooms, reception areas, utility and store rooms, training rooms, break out and staff facility areas and communications equipment rooms.
- ◆ Workstations including desks and personal storage units. Screens between the workstations will carry the data and power cables;
- ◆ Loose furniture.

1.5.13 DAFF will participate with the developer in tendering the various fit-out components in accordance with the Commonwealth Procurement Guidelines. Cost control will be managed by DAFF's Quantity Surveyor and subject to review by the Cost Control Committee.

## **1.6 Options Considered**

1.6.1 The EBB is one of the largest office complexes in Canberra with a total lettable area of 46,064 sq metres. DAFF's requirement for up to 32,000 sq metres of office space cannot be satisfied within most existing buildings in the ACT. The numbers of commercial sites

capable of accommodating a new building of this size are also very limited.

1.6.2 DAFF has made a thorough investigation of the Canberra market to determine the availability of alternative buildings and sites large enough to accommodate DAFF's requirement. These investigations include discussions with all of the Departments that have recently tested the market through an Expression of Interest process, including:

- ◆ Attorney General's Department
- ◆ Prime Minister and Cabinet
- ◆ Australian Bureau of Statistics
- ◆ Department of Immigration & Multicultural & Indigenous Affairs
- ◆ Department of Industry, Tourism & Resources (DITR)
- ◆ Department of Health and Ageing
- ◆ IP Australia
- ◆ Australian Taxation Office (ATO)

1.6.3 There are no single existing buildings, or groups of buildings in close proximity, available and large enough to meet DAFF's requirement. This includes the buildings in Civic that will become available following the Australian Federal Police, DITR, ATO, Ausaid and CASA relocations. All of these buildings will require major refurbishment before being suitable for future Commonwealth occupancy.

1.6.4 The availability of commercially zoned sites of sufficient size to accommodate a new building of 32,000 sq metres has also been investigated and produced the following options:

- ◆ Brindabella Business Park – Canberra Airport
  - ◆ Belconnen
  - ◆ Griffin Centre sites, Civic
  - ◆ 18 Marcus Clarke and 3-5 London Circuit, (NICTA), Civic
  - ◆ York Park, Barton
- 1.6.5 This investigation included other regional centres such as Woden, Tuggeranong and Gungahlin, but did not produce any sites that could be developed within the timeframe to meet DAFF's space requirement.
- 1.6.6 The Brindabella Business Park and Belconnen options are both only at conceptual stage. The delivery of the new buildings would not be before mid 2008 and therefore would not meet the tight time constraints imposed by the EBB lease expiry date.
- 1.6.7 The Griffin Centre has recently been selected by the ATO and has therefore been taken off the market.
- 1.6.8 Discussions have been held with Department of Finance and Administration (Finance) on the availability of York Park for a new pre-commitment development. Finance has prepared a draft program which indicates that the earliest a building could be available on this site is 2010. This would require an extension of the EBB lease until 2010, a proposal which has been rejected by the owner of EBB.
- 1.6.9 Leighton's proposed developments at 18 Marcus Clarke St and 3-5 London Circuit (NICTA), Civic both have Development Application (DA) approval and can be constructed by October, 2007.

1.6.10 Discussions with the major commercial agents in Canberra have confirmed that an Expression of Interest campaign would not produce any additional options.

1.6.11 Given the state of the commercial accommodation market as detailed above the three options considered by DAFF were:

- ◆ Remain in existing premises – remain in EBB without refurbishment for an undefined period.
- ◆ Refurbishment of existing premises – remain in EBB while it is refurbished and accept a new 15 year lease on completion.
- ◆ Relocate to new premises in Civic.

1.6.12 The advantages and disadvantages of each option are summarised below:

**1.6.13           Option 1. Remain in existing premises – remain in EBB without refurbishment for an undefined period.**

*1.6.13.1 Advantages*

- ◆ least cost in short term;
- ◆ provides DAFF with time to consider other options currently outside the timeframe and take advantage of new opportunities that may enter the market.

*1.6.13.2 Disadvantages*

- ◆ low standard of accommodation which will continue to deteriorate with time;



- ◆ increasing building services problems, particularly air conditioning, with resultant disruption to staff and the business;
- ◆ staff dissatisfaction with poor quality accommodation producing low morale and staff retention difficulties;
- ◆ non-compliance with statutory requirements such as BCA and with Commonwealth energy guidelines;
- ◆ inability to comply with Commonwealth security guidelines, with serious implications;
- ◆ unavoidable capital expenditure on fit-out alterations in unsuitable premises. For example, re-carpeting must be carried out for OH&S reasons with DAFF bearing the cost of uplifting its fit-out. Cost to DAFF has been estimated at \$3.2m;
- ◆ the landlord has declined to provide an offer for any short term lease.

**1.6.14 Option 2. Refurbishment of existing premises – remain in EBB while it is refurbished and accept a new 15 year lease on completion.**

*1.6.14.1 Advantages*

- ◆ improved standard of accommodation;
- ◆ allows DAFF to remain in Barton in its long established location;

*1.6.14.2 Disadvantages*

- ◆ highest cost option for the following reasons:
  - asking rental similar to a new building;
  - no rent abatement during refurbishment;

- DAFF required to bear the cost of fit-out of the basement for staging space, estimated at \$6m;
  - office fit-out cost same as for new building;
  - Landlord requires DAFF to lease the refurbished basement areas and core storage areas, even though these areas would be surplus to its requirements, adding approximately \$1.6m per annum to rental;
  - Landlord will not waive make good obligation at end of 15 year term, with estimated liability of \$20m.
- 
- ◆ the refurbishment will only achieve 3.5 star ABGR which does not meet the Commonwealth's requirements for 4.5 star ABGR;
  - ◆ the refurbishment will not address the security issues relating to multiple entry points;
  - ◆ the refurbishment program will take 30 months to complete, with associated disruption to staff and the business;

### **1.6.15 Option 3. Relocate to new premises in Civic (preferred option).**

#### *1.6.15.1 Advantages*

- ◆ lower cost option providing a saving in the order of \$35m over 18 years against option 2 (i.e. refurbishment of EBB);
- ◆ modern buildings meeting current codes and Australian standards with targets of 4.5 star ABGR and 5 Green Stars;
- ◆ large, efficient floor plates of 2,400 sq metres;
- ◆ better able to meet security standards for personnel and information;

- ◆ significant reduction in security costs provided by a building with a single, secure entry point;
- ◆ adequate pay parking available nearby, together with good accessibility to public transport;
- ◆ availability of commercially operated child care facilities in close proximity to the building, with the option of providing a facility on site if required;
- ◆ high availability of shops and amenities;
- ◆ new premises will provide staff and visitors with much higher levels of on-site amenity;
- ◆ better able to meet our obligations under the OH&S regulations, the *Disability Discrimination Act 1992* and the Building Code of Australia;
- ◆ able to save on outgoings for building operations and maintenance;
- ◆ able to meet modern environmental standards; and
- ◆ placement of conference facilities in the NICTA Building may allow DAFF to limit the number and size of their own facilities.

#### 1.6.15.2 *Disadvantages*

- ◆ DAFF may be split over two buildings, but the close proximity of the buildings and the ability to integrate communications minimises the impact.

### **1.7 *Reasons for Adopting the Proposed Course of Action***

- 1.7.1 The annual rental for the new Civic buildings is marginally more expensive than the existing rental on EBB, but is less than the rental for the refurbished EBB. Total fit-out costs for the new

buildings are significantly less as the cost of staging space during an EBB refurbishment is avoided.

1.7.2 For a lesser rental than would be the case in a refurbished EBB DAFF will move to a modern, “A” grade office building which is expected to meet its business requirements for at least 15 years.

1.7.3 In addition to the high cost of the EBB refurbishment option, staff and the business will experience disruption caused by occupying a building for 30 months during a major refurbishment. While this is difficult to quantify it will be very significant.

## **2 GOVERNANCE**

### **2.1.1 Cost Control Committee**

2.1.1.1 The Project Cost Control Committee comprises senior executives in DAFF. The Committee is responsible for overseeing the project including overall strategic direction, goal and priority setting, and making recommendations to the DAFF Executive Management Team on executive decision making.

### **2.1.2 Probity**

2.1.2.1 Probity advice and audit services for the project are provided by one of DAFF’s legal advisers.

### **3 CONSULTATION**

3.1 DAFF has consulted or will consult with the following external bodies:

- ◆ The Australian Greenhouse Office on environmental input into the fit-out design;
- ◆ ACT Office of Child Care regarding the possible design and operation of a child care facility;
- ◆ Department of Employment and Workplace Relations on application of the National Code of Practice for the Construction Industry;
- ◆ Department of Finance and Administration regarding funding matters;
- ◆ Defence Signals Directorate on information and communication security requirements;
- ◆ ASIO T4 regarding protective security measures; and
- ◆ Department of Foreign Affairs and Trade on security requirements for use of SATIN systems.

#### **3.1.1 Staff Consultation**

3.1.1.1 DAFF has implemented a communication strategy for staff consultations for the duration of the accommodation project. The principal means for communicating with staff will be:

- ◆ Regular face to face meetings between management and staff
- ◆ A dedicated intranet site;
- ◆ Regular email updates;

- ◆ Site visits during construction;
- ◆ Staff nominees involved in the user requirement briefs and fit-out design;
- ◆ Use of Microsoft Outlook and Microsoft Access to facilitate the submission of questions, comments and feedback from staff and the storage of these submissions and the responses; and
- ◆ Establishment of a project steering committee to provide advice on strategic or more significant issues related to the project.

3.1.1.2 DAFF has setup displays in one Core of the EBB and in the Bligh House accommodation which include:

- ◆ A model of the new buildings;
- ◆ Displays showing internal and external designs\*;
- ◆ Prototypes of workstation designs and configurations;
- ◆ Progress reports and photographs of the project\*; and
- ◆ Relevant documentation to provide staff access to the information used in the decision making process and the management of the project (e.g. Draft City West Master Plan September 2003; Approved Code of Practice for First Aid in Commonwealth Workplaces)

(\*Note, these will be included at the relevant stages of the project)

## **4 REVENUE DERIVED FROM THE PROJECT**

- 4.1 Savings on property operating expenses will be realised by relocating into a new, state of the art building. These savings will include electricity, security guarding services, water usage, tenant's

maintenance and the cost on minor fit-out alterations to meet changing accommodation needs.

- 4.1.2 An incentive in the form of a contribution to fit-out costs has been negotiated. The developer has requested that the actual amount be treated as commercial-in-confidence.

## **5 TECHNICAL INFORMATION**

### **5.1.1 Location**

The DAFF fit-out will be part of the developments at 18 Marcus Clarke St and 3-5 London Circuit, which are located on Section 61 in the western precinct of Civic. Site and location plans are included in Appendix 1 and 2.

### **5.1.2 Scope of Works**

5.1.2.1 DAFF will lease the whole of 18 Marcus Clarke St with the possible exception of part of the ground floor which may be handed back to the owner for lease to a café operator. It will also lease one or two whole floors in the adjacent 3-5 London Circuit, depending upon its final space requirement.

5.1.2.2 The technical specifications for both buildings are very similar. Following are the main technical differences between the two buildings:

- ◆ 18 Marcus Clarke St will have fire protection sprinklers due to its height;
- ◆ 18 Marcus Clarke St has a fresh air flush cycle;

- ◆ 18 Marcus Clarke has inter-connecting stairs between alternate floors;
- 5.1.2.3. The fit-out works will include integration of services into the base building works. These include:
- Electrical installations in the tenant areas including tenant switchboards, power reticulation to workstations and offices, meeting rooms, training rooms, etc. It will also include battery based uninterrupted power supply to the central computer installation.
  - Supplementary air conditioning to those rooms with higher than normal cooling and ventilation requirements including conference rooms, training rooms and computer rooms. The base building has a tenant condenser water circuit for this purpose.
  - Office area lighting utilising energy efficient “T5” fluorescent lighting, incorporating high frequency ballasts, connected to a lighting control system providing the ability to control switching and reduce lighting levels where appropriate. Designated rooms will be provided with movement detectors to automatically turn off lights when the room is not in use.
  - Data cabling throughout the tenant areas including phone and computer outlets at each work point, using a minimum of category 6 cabling.
  - Security works including door hardware and electronic access control at the main entrance, floor lobbies if required, exits, vehicle access points and internal areas with higher than normal security needs.
  - Supplementation of the base building fire services where required as a result of fit-out works to ensure compliance with relevant codes. These services include exit lights, fire detection and sprinkler supplementation as necessary.



5.1.2.4 The office accommodation fit-out will include:

- ◆ Gyprock and glass partitioning to form individual offices, meeting rooms, reception areas, utility and store rooms, training rooms, communications equipment rooms and staff facilities. The workstations will incorporate low height modular panelling to provide work space separation and to facilitate power and data reticulation;
- ◆ Workstation sizes will be based on a concept of modularity and flexibility. These planning provisions are similar to the current arrangements and are suitable for the Department's operational requirements. Staff in open plan areas will have access to break out areas and meeting rooms;
- ◆ Workstations will include personal storage units;
- ◆ Joinery items such as reception counters, credenza units in conference rooms, utility and storage benches in utility rooms and servery units in amenities areas;
- ◆ Blinds to control glare on perimeter glazed walls and frosting to internal glass panels for privacy;
- ◆ Construction of internal stairs between alternate levels;
- ◆ Tenant signage including external signs with the department's name, a directory board in the ground floor lobby, directional and statutory signage; and
- ◆ New loose furniture.

5.1.2.5 The building will provide DAFF with an environment that has the ability and capacity to meet future structural and operational changes. This will be achieved through:

- ◆ Workstations that can be quickly and easily reconfigured;
- ◆ Open space planning; and

- ◆ Modular design that allows for cost effective removal or relocation of walls.

5.1.2.6 Please note that DAFF will look to upgrade the type and level of services and fit-out components to take advantage of design and technological improvements that may come onto the market during the planning stage of the project.

### **5.1.3 Staff Facilities**

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

- ◆ an amenities room;
- ◆ first aid rooms;
- ◆ parenting rooms;
- ◆ a prayer or quiet room;
- ◆ a carers room to allow staff to meet temporary carer responsibilities while carrying on with their duties;
- ◆ kitchen facilities and tea making stations throughout the office floors;

5.1.3.2 The on-site provisions of facilities such as a café, gymnasium and child care centre are being considered against the availability of commercially operated facilities in the proximity to the new developments.

5.1.3.3 Note that where possible and appropriate, the first aid, parenting and prayer or quiet rooms will be combined.

#### **5.1.4 Site Selection**

- 5.1.4.1 Selection of the site was determined by its capacity to meets DAFF's space needs and the developer's ability to meet critical time constraints imposed by the lease expiry of the Edmund Barton Building in February, 2007.
- 5.1.4.2 Although the target building completion date of October, 2007 exposes the department to a monthly holdover in the Edmund Barton Building, the commercial risks of this exposure are significantly outweighed by the economic and operational advantages of this proposal.
- 5.1.4.3 The site was selected following extensive market investigations which included consultation with other departments who had carried out Expression of Interest campaigns for their own needs.
- 5.1.4.4 A risk assessment undertaken by DAFF for the preferred option rated it low risk.

#### **5.1.5 Site Description**

- 5.1.5.1 The 18 Marcus Clarke St site is Block 16, Section 61 and comprises 3,509 sq metres. The site is bounded by Marcus Clarke St, and the newly formed Murden St, William Clemens St and Wilden St. The 3-5 London Circuit site is Block 14, Section 61 and comprises 4,058 sq metres and is bounded by William Clemens St, Gordon St, London Circuit and Farrell Place. The site was formerly an unsealed car park. Appendix 1 provides a plan of the sites and Appendix 2 shows the location of the sites in relation to Civic.

## **5.1.6 Environmental Impact Assessments**

- 5.1.6.1 The proposed development of 18 Marcus Clarke St and 3-5 London Circuit is consistent with the Development Control Plan, the City West Master Plan, the Canberra Spatial Plan and the Sustainable Transport Plan for the ACT.
- 5.1.6.2 The Mandatory Preliminary Assessment of the Development Control Plan for Section 61 prepared by the ACT Government's Land Development Agency concluded that the development of Section 61 has numerous potentially beneficial impacts and no permanent or temporary adverse impacts which could not be dealt with through ACT Laws relating to environmental protection and work practices.
- 5.1.6.3 Both proposals have obtained DA approval from the ACT Planning and Land Authority (ACTPLA).

## **5.1.7 Zoning and Approvals**

- 5.1.7.1 Planning for both sites is the responsibility of the ACT Government. Section 61 was subdivided by the ACT Government prior to sale into 4 sites with commercial and retail purpose clauses. A Development Control Plan provides the planning and development framework for the whole Section.
- 5.1.7.2 The proposal is consistent with the Development Control Plan, the City West Master Plan, the Canberra Spatial Plan and the Sustainable Transport Plan for the ACT. The heights of the buildings do not exceed the maximum height allowable for the precinct.

- 5.1.7.3 Both proposals have obtained DA approval from the ACT Planning and Land Authority (ACTPLA).

### 5.1.8 Land Acquisition

- 5.1.8.1 The 18 Marcus Clarke St site was acquired from the ACT Government at public auction on 28 April, 2004 by Universal Portfolio Services Pty Limited which is a joint venture between Leighton Properties Pty Limited and James Fielding Development Pty Ltd.
- 5.1.8.2 The 3-5 London Circuit site was transferred to NICTA by the ACT Government in 2004. Leighton Properties Pty Limited was subsequently selected by NICTA as purchaser and developer through a public Request for Tender process.
- 5.1.8.3 Leighton Properties Pty Limited is the developer for both properties and forms part of the Leighton's Group which has an annual turnover of \$6.0b, group assets of \$2.75b and group employees of around 15,000.
- 5.1.8.4 Leighton Properties have worked and are currently working on a number of large commercial development projects, including:

#### **Selected Past Projects:**

Maritime Plaza, Sydney	\$300m
383 Kent Street, Sydney	\$80m
80 Pacific Highway, North Sydney	\$100m
MacArthur Chambers, Brisbane	\$250m
700 Collins Street, Melbourne	\$135m

<b>Selected Current Projects:</b>	<b>17 Projects – End Value</b>	<b>\$2.3b</b>
	KENS, Sydney	\$630m
	Sydney Basin Airports, Sydney	\$680m
	100 Pacific Highway, North Sydney	\$140m
	Tooronga Homemakers Centre, Melbourne	\$50m
	Noosa Development , Noosa	\$190m
	St Paul’s Terrace, Brisbane	\$105m
	18 Marcus Clarke, Canberra	\$125m
	NICTA, Canberra	\$90m

## 5.1.9 Master Planning and Site Planning

5.1.9.1 The civil infrastructure works required for the development are as follows:

- ◆ Construction of new access streets named William Clemens, Wilden and Murden Streets including traffic control devices, pavements, kerbing, stormwater drainage, landscaping, street lighting, verge works including paving and associated driveway connections, parking lay-bys, water mains and shared trenching;
- ◆ Upgrading of existing services in the area including stormwater, water mains and fire hydrants; and
- ◆ Removal of existing car park access driveways off Gordon Street and Farrell Place, construction of new kerbs and make good of the verge.

5.1.9.2 The proposed traffic arrangements for the new internal access roads have been approved by Roads ACT and are consistent with the traffic requirements of the Development Control Plan.

5.1.9.3 Pedestrian movements are accommodated as follows:

- ◆ Paved verges in new access streets;
- ◆ Pedestrian desire line created from NICTA/18 Marcus Clarke St across London Circuit to the at grade car parks on City Hill West. This movement will be facilitated by the existing signalised pedestrian crossings forming part of the signalised intersection of London Circuit and Gordon Street;
- ◆ Pedestrian movements between the sites and the existing city development to the north will be readily undertaken across Farrell Place which is a minor road connecting Marcus Clarke St and London Circuit; and
- ◆ Pedestrian movements between the sites and other future developments within Sections 61 and 91 will be via the verges and colonnades adjacent to the minor access street.

5.1.9.4 The Mandatory Preliminary Assessment of the Development Control Plan for Section 61 concluded the following potentially beneficial impacts of the developments:

- ◆ The objectives of the Territory Plan and National Capital Plan for the site are able to be satisfied;
- ◆ An under utilised but valuable asset (the land) will be transformed through the process of replacing an existing surface car park with an integrated mixed use development of commercial, residential and retail uses, resulting in significant enhancements to the visual and functional character of this important city section;

- ◆ The development of Section 61 will be a catalyst for the revitalisation of the City West area and will also be the first significant office development in the area for many years;
- ◆ The development of new “A” grade office space in Civic will encourage the redevelopment or refurbishment of lower grade office space throughout the CBD;
- ◆ The site enjoys good accessibility for future residents, workers and visitors, and together with planned residential development on adjoining sites to the north and south of the site, will ensure the viability of services and facilities for the emerging city based communities;
- ◆ All development on site will be required to satisfy the ACT Government’s requirements for High Quality Sustainable Development, and the urban design parameters established by the NCA’s Development Control Plan;
- ◆ An increase in the permanent residential population of Civic will invigorate Civic and city-based activities outside normal working hours;
- ◆ The proposal will generate a range of economic and social benefits, including a contribution towards the diversification and affordability of inner city housing types, construction and real estate activities, employment and revenue for the ACT Government.

5.1.9.5 The Assessment found that there were no permanent or temporary adverse impacts which could not be dealt with through ACT Laws relating to environmental protection and work practices.



### **5.1.10 Codes and Standards**

- 5.1.10.1 The fit-out will comply with all relevant requirements of the Building Code of Australia (BCA) including Disability Access, ACT Planning and Land Management and Australian Standards. It will also comply with Protective Security Manual requirements.

### **5.1.11 Planning and Design Concepts**

- 5.1.11.1 The quality of building finishes and services are to “A” Grade standard in accordance with the Property Council of Australia Office Quality Grade Matrix.

### **5.1.12 Materials and Finishes**

- 5.1.12.1 Materials and finishes used in the fitout will be selected for appearance, durability, functionality and ease of maintenance and cleaning while providing a pleasant environment for staff to work. Typical materials and finishes will include plasterboard painted with washable acrylic paint, fabric panels on workstation screens, feature colours on selected painted walls and plasterboard feature ceilings.

### **5.1.13 Mechanical Services**

- 5.1.13.1 The base building provides supplementary outside air and exhaust systems and a tenant condenser water loop for supplementary heating and cooling in tenant areas with higher than normal loads, such as conference and training rooms. 18 Marcus Clarke St also provides a night flushing system which flushes the floors with

outside air, significantly reducing the heat load when the air conditioning commences operation each morning. Roof mounted cooling towers are designed to prevent the growth and spread of Legionella bacteria. The lease requires the landlord to maintain the system to Australian Standards and report to the tenant each month on the quality of the cooling tower water.

#### **5.1.14 Hydraulic Services**

5.1.14.1 Wet stacks and relief vents are provided to enable tenant kitchen facilities to be located where required. Male and female showers and lockers are located in the basement. Water saving initiatives includes waterless urinals and toilet flushing using stored rainwater.

#### **5.1.15 Electrical and Data Services**

5.1.15.1 The total electrical load for the building is designed to cater for base building and tenant requirements. Power and data cable reticulation is via cable risers in the core, a dedicated tenant cable reticulation zone in the ceiling and three channel-ducted skirting. Power factor correction is provided for base building services.

#### **5.1.16 Security System**

5.1.16.1 The base building provides an access control system, intruder alarm and intercom system which can be extended to tenancy areas.

5.1.16.2 All staff will be provided with photo identification security passes which will interface with proximity card readers at specified locations at the perimeter of the premises to control access. Electronic access control points which may include:

- ◆ electronic speed gates between the main foyer and the lifts and stairs;
- ◆ vehicle and bicycle access to parking areas;
- ◆ loading dock and after-hours access doors.

5.1.16.3 External doors, including emergency exit doors, will be electronically monitored.

5.1.16.4 Internal areas with higher than normal security requirements, such as the main computer room will also have proximity card readers installed to restrict access to authorised staff only.

5.1.16.5 A security desk will be located in the foyer of 18 Marcus Clarke St and staff will be required to sign-in and escort visitors.

5.1.16.6 Advice will be sought from relevant security agencies and incorporated into the base building and fitout design concepts. A security risk assessment will be conducted in line with the requirements of the PSM and recommendations implemented as appropriate.

### **5.1.17 Fire Services**

5.1.17.1 The base building fire systems include sprinklers to all levels (18 Marcus Clarke only), smoke detection, stair pressurisation, zone smoke control, EWIS, hydrants, hose reels and signage.

### **5.1.18 Acoustics**

5.1.18.1 The building design incorporates measures to reduce noise in the work environment including double glazed external windows, acoustic ceiling tiles, fabric panelling and floor carpet. Acoustic performance criteria will be incorporated into the fitout brief to

ensure adequate noise insulation between offices, meeting rooms, training rooms and other work areas.

### **5.1.19 ESD Performance**

5.1.19.1 The building's objective is to achieve best practice in sustainable design. The Green Star rating scheme, a voluntary holistic sustainable design rating tool managed by the Green Council of Australia, has been used to guide the design process. The building's sustainable performance will achieve a minimum 4 green stars with a target of 5. The building's energy usage is designed to achieve a minimum 4 stars, with a target of 4.5, under the Australian Building Greenhouse Rating (ABGR) scheme.

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

- ◆ night flush operation through operable facades;
- ◆ high performance double glazing and façade design that responds to orientation;
- ◆ automated operable blinds to control heat gain and avoid glare;
- ◆ T5 lighting with flicker free ballasts and energy efficient light fittings;
- ◆ office light zoning and switching to minimise unnecessary lighting;
- ◆ energy efficient Variable Air Volume (VAV) air conditioning system;
- ◆ carbon dioxide sensing controls minimum air flows to achieve higher fresh air volumes when required;
- ◆ energy sub-metering enables monitoring and reporting of energy usage on part floors and allows operational tuning;
- ◆ dual flush toilets, AAAA tap and AAA shower rated fixtures and rainwater collection and reuse to reduce water consumption;

- ◆ stormwater retention and reuse for irrigation, wash down and cooling tower make up;
- ◆ water metering to monitor water usage;
- ◆ bike spaces and lockers to encourage bicycle use;
- ◆ use of low Volatile Organic Compounds and low formaldehyde materials to minimise gas emissions and improve indoor air quality;
- ◆ zoned after hours air conditioning enable part floor usage;
- ◆ construction waste plan to ensure construction recycling;
- ◆ site storage and collection in designated areas to facilitate tenant recycling programs;
- ◆ use of recycled concrete and steel in the building structure; and
- ◆ sustainable timber selection.

5.1.19.3 Both the landlord's and tenant's ongoing responsibilities for environmental management will be specified in the lease.

### **5.1.20 Provision for People with Disabilities**

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

5.1.20.1 The following facilities will be provided:

- ◆ Two self contained accessible toilets per floor (one per floor in 3-5 London Circuit);
- ◆ Accessible shower facilities;
- ◆ All lifts accessible and facilities provided in accordance with AS1735.12; and
- ◆ Accessible parking.

5.1.20.2 Lifts, access-ways, doorways and accessible toilets and showers will be sized to conform to BCA.

### **5.1.21 Heritage Issues**

5.1.21.1 The whole of Section 61 has been cleared and used for on-grade parking for many years.

5.1.21.2 The Mandatory Preliminary Assessment of the Development Control Plan for Section 61 carried out by the ACT Government's Land Development Agency found that there are no known heritage issues relating to the site. There are no registered heritage places or objects on the land and no nominations for registration of places or objects as shown on the Heritage List.

5.1.21.3 DAFF's relocation to the new developments will result in the vacation of the Edmund Barton Building which is a heritage listed building. Due to its prime location in Barton, it is anticipated that the building will be refurbished and relet to other tenants.

### **5.1.22 Child Care Provisions**

5.1.22.1 18 Marcus Clarke St has an area on the ground floor with direct access to external space which may be suitable for a child care facility.

5.1.22.2 DAFF is investigating the demand from staff for such a facility, and the availability of commercial facilities nearby.

### **5.1.23 Fire Protection and Security Measures**

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

- ◆ Fire detection and suppression systems;
- ◆ Smoke hazard management systems including zone smoke control and stair pressurisation;
- ◆ Egress systems including fire stairs and emergency exit lights connected to an automatic testing system;
- ◆ Materials with fire resistance in accordance with Type A construction per BCA; and
- ◆ An Emergency Warden Intercom System communication system for emergency communication with building occupants.

5.1.23.2 The fit-out works will be designed in accordance with the PSM.

5.1.23.3 An accredited Building Certifier will be engaged to certify compliance of the fitout works.

### **5.1.24 Occupational Health and Safety**

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

5.1.24.2 DAFF will engage specialist OH&S consultants to assist in the selection of internal furniture and fittings including adjustable desk height, shelving, work tables and compactus units to ensure they are suitable for a wide range of staff to use safely.

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

### **5.1.25 Landscaping**

- 5.1.25.1 Landscaping has been designed to create a public domain which is both functional and a valuable amenity for the general public and includes tree and dry land grass verge treatment. Seating will be provided to create a useable feature enhancing the public domain.
- 5.1.25.2 Feature paving will define the main building entrance and the drop off area allowing convenient access to the building.
- 5.1.25.3 The area between the Marcus Clarke Street and the NICTA buildings will be paved specifically to create a pedestrian zone and a physical and visual link to and between the buildings.
- 5.1.25.4 Tree planting and integrated seating at William Clemens Street will be laid out in a geometric form providing sculptural interest and a functional outdoor area for building users.

### **5.1.26 Impact on the Local Community**

- 5.1.26.1 When DAFF vacates the EBB there will be a short-term impact on the retail outlets in the vicinity (e.g. Barton Cafeteria) which will be remedied once the EBB has been refurbished and re-tenanted.

## **6 PROJECT COSTS**

- 6.1.1 The budget for the fitout is \$36m (excluding GST) and includes contingency, project management, design and documentation and escalation to 2007. The estimate assumes integrated fitout and has been prepared by Wilde & Woollard, Quantity Surveyors, based on DAFF's tenancy brief for the new buildings.



6.1.2 Due to the age of DAFF's existing fitout and a large portion of the loose furniture, there is little opportunity for re-use in the new buildings, however where possible DAFF will reuse existing loose furniture and information and communication technology equipment.

## 6.2 Value for Money

6.2.1 When assessing the alternative options, DAFF undertook a whole-of-life assessment and determined that the proposed development provides a value for money property solution.

6.2.2 Significant financial and time savings will be achieved through the integration of the design and development of the fitout with the base building, thus allowing DAFF to realise further savings.

## 7 PROJECT DELIVERY SYSTEM

7.1.1 DAFF expects to engage the developer to prepare the detailed design documentation and construct the fitout concurrently with the base building. This work will be undertaken on a cost-plus basis, with DAFF paying actual tendered prices for trade packages based on a schedule of rates and the developer charging a percentage fee for management of the works. The developer will be required to comply with the Commonwealth Procurement Guidelines in tendering the trade packages and will include the cost of this additional work in the management fee.

7.1.2 The schedule of rates will enable DAFF's Quantity Surveyor to check the quoted price for each stage against the tendered prices.

## **8 CONSTRUCTION PROGRAMME**

- 8.1.1 The developer's draft construction and integrated fitout programme targets October, 2007 for practical completion of both the base building and integrated fitout works. The programme is included at Appendix 10.

## **9 SKETCH DESIGNS**

Appendix 1	Site Location Plan
Appendix 2	Site Plan
Appendix 3	Elevation Plan of 18 Marcus Clarke St
Appendix 4	Elevation Plan of 3-5 London Circuit
Appendix 5	Level 1 Basement Plan of 18 Marcus Clarke St
Appendix 6	Ground Floor Plan of 18 Marcus Clarke St
Appendix 7	Typical Floor Plan of 18 Marcus Clarke St
Appendix 8	Typical Floor Plan of 3-5 London Circuit
Appendix 9	Indicative Fit-out Layout Plan of 18 Marcus Clarke St
Appendix 10	Construction and Fit-out Programme
Appendix 11	Perspective View of 3-5 London Circuit
Appendix 12	Perspective View of 18 Marcus Clarke St