



Australian Government

Department of Education, Employment and Workplace Relations

Proposed Fit-out of New Leased Premises

at Block 9, Section 31 Canberra City

**Statement of Evidence and Supporting Drawings
to the
Parliamentary Standing Committee on Public Works**

06 March 2008

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1 Summary

The Department of Education, Employment and Workplace Relations (DEEWR) National Office is located in the Canberra Central Business District and the Canberra Airport. Staff are currently housed in 21 different buildings of ranging quality and design. There are considerable inefficiencies in this arrangement.

Prior to its amalgamation with the former Department of Employment and Workplace Relations (DEWR) in November, 2007, the former Department of Education Science and Training (DEST) had 2,300 Canberra based staff accommodated across nine buildings in Canberra City, ACT, totalling 39,272 square metres of net lettable area (NLA). In late 2005, the then DEST sought expressions of interest from the market for a new 40,000 square metre office building to accommodate all of DEST's national office staff. The Expression of Interest process resulted in the selection of a proposed new development on the former QEII Nursing Mothers Hospital site on the corner of Rudd Street, Marcus Clarke Street and Alinga Street in Canberra City, known as Block 9, Section 31, City. An Agreement to Design, Construct and Option to Lease (ADCOL) committing the Department to the lease was signed by the Department in October, 2007.

The development will provide approximately 40,000 square metres of high quality office space, 500 square metres of storage space and 418 secure basement car parks. The building is being designed to meet a 4.5 star Australian Building Greenhouse Rating (ABGR) and a Green Building Council of Australia (GBCA) 5 Green Star rating. The target completion date is June, 2010.

The former DEWR lease portfolio is similar to DEST's with 12 leases totalling 57,877 square metres located in the City and airport. A large proportion of the properties are over 15 years old and do not meet the Commonwealth's requirements. Prior to amalgamation, DEWR was preparing a strategy for consolidation.

The formation of the new Department of Education, Employment and Workplace Relations has created a Canberra based national office of approximately 4,600 staff with a total office space requirement of approximately 97,000 square metres, necessitating a revision of the accommodation strategy. As it is too early in the amalgamation process to identify which business groups will occupy the new building, it is proposed to proceed with a generic fitout designed to suit typical groups and teams. The process of selecting groups to occupy the building will then be carried out closer to the completion date. A revised strategy is required to identify the most appropriate accommodation solution for the parts of the Department which will not fit into the new building.

It is envisaged that fitout costs will be in the order of \$66.6m (out-turn cost) excluding GST, which equates to a rate of \$1,665 per square metre.

In accordance with current Commonwealth policy, the building will be constructed to a target 4.5 star Australian Building Greenhouse Rating (ABGR) for energy usage and Green Building Council of Australia (GBCA) 5 Green Star rating. Fitout will also be designed to 4.5 star ABGR and 5 Green Star rating.

Occupancy is expected to occur in mid 2010. Current leases have been structured to expire no earlier than mid 2010 to avoid the risk of penalties associated with short term "holding" leases.

The new accommodation will conform to all relevant building codes and practices. The occupation of the new building will continue to stimulate the redevelopment of the City West precinct and will generate employment through the construction phase.

Detailed consultation with staff is being undertaken in relation to the planning and layouts of the generic fitout design principles. Staff have displayed strong support and enthusiasm for this new building and the proposed design features.

In view of the above, DEEWR brings this submission before the Committee for consideration.

2 Identification of the Need

2.1 Project Objectives

- 2.1.1 DEEWR provides national leadership and works in collaboration with the States and Territories, industry, other agencies and the community in support of the Government's objectives. It develops and implements policies to ensure the continuing relevance of education, employment and workplace relations to the contemporary needs of the Australian public. It also ensures high quality and value for money in delivering Government funded programs.
- 2.1.2 Collocated office accommodation for the Department will encourage practices enabling people to better collaborate and more effectively work together.
- 2.1.3 A significant number of DEEWR office accommodation leases expire between April, 2009 and October, 2012. This project will consolidate around half of these leases. The remainder will be subject to a revised strategy to determine the most appropriate long term accommodation solution for the Department.
- 2.1.4 DEEWR 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 partially met through the lease of the new, "A" grade building which meets all of the Commonwealth's environmental and security guidelines and by providing a new fit-out. The new building and fit-out will take advantage of the latest technology for lighting and

environment control and the fitout will be designed to reduce churn costs by adopting a modular, generic approach to the provision of workspace and office sizes.

2.1.5 By relocating to a new building, DEEWR 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.

2.2 Existing Lease Details

2.2.1 The Department's national office in Canberra is accommodated in leases across twenty one separate buildings with a total net lettable area of 97,149 square metres. Annexure A provides a list of these buildings showing address, net lettable area and lease expiry date.

2.2.2 The lease expiry profile for a large proportion of the leases is ideal for completion of the new building in 2010, minimising dead rental.

2.2.3 The Times Square building at 16 Mort Street provides the largest amount of contiguous space and is the oldest of the Department's current tenancies. It was constructed in 1993 and provides 14,506 square metres of office space and 160 basement car parks. There has been no substantive upgrade to the base building services and it remains largely in its original condition. It does not comply with the Commonwealth energy and security requirements and is in need of significant refurbishment to bring it up to current Commonwealth standards.

2.2.4 The former DEWR occupies four leases at Brindabella Business Park (Canberra airport) totalling 22,297 square metres. Three of these leases expire in November, 2011 and one expires in February, 2012. The fitout of 29-31 Brindabella Business park comprising 17,798 square metres was the subject of a PWC Hearing in June, 2006.

2.2.5 With the exception of the Brindabella Business Park properties, most of the accommodation is in buildings which are over 15 years old and require major refurbishment to meet Commonwealth standards.

2.3 The need for the work

- 2.3.1 The requirement for a new office facility has been driven by the need to upgrade the office accommodation to meet the Commonwealth's new energy and security requirements and improve operational efficiency through consolidation. The timing for the new development has been tailored to coincide with the majority of lease expiries.
- 2.3.2 The new building will provide approximately 40,000 square metres of A Grade office accommodation capable of accommodating approximately 2,550 staff at an average space allocation of approximately 15.5 square metres per person. The average existing office space allocation across DEEWR is approximately 21 square metres per person.
- 2.3.3 The proposed density of 15.5 square metres per person is achievable in the new building because the large floor plates (approximately 3,500 square metres) are very efficient. There are also significant space savings resulting from the consolidation into one building due to sharing of common use facilities such as conference and meeting rooms, utilities and storage areas and amenities.
- 2.3.4 The selection of this proposal was made through a public expression of interest. The business case for Department of Finance and Deregulation approval of the lease commitment examined all available options and determined that this project provides the greatest operational and economic benefits.

2.4 Description of the Proposal

- 2.4.1 The proposal is to fitout the whole of the new building to be constructed on Block 9, Section 31, City. The proposed building will comprise a gross floor area (GFA) of 44,000 square metres which provides a net lettable area (NLA) of 39,863 square metres. This is the maximum size building for the site under the ACT Government planning controls.
- 2.4.2 The proposed building will comprise ground level, 11 floors of office space with plant and storage area on Level 12. The average office floor plate size is approximately 3,500 square metres. The building also provides 500 square metres of storage, basement parking for 418 vehicles and ground level bicycle parking for 175 bikes.
- 2.4.3 Ownership of the site will transfer to Walker Corporation on issue of the approved development application which is expected by April, 2008. As the owner and developer, Walker Corporation will engage a builder to carry out the construction works.
- 2.4.4 The space requirement of 40,000 square metres was determined by the former DEST to meet its total national office accommodation requirement. Although this amount of space will not accommodate the whole of the new Department, it provides the opportunity to consolidate a substantial part of the new Department and a platform to develop a strategy for the remainder.

- 2.4.5 Due to ACT Planning restrictions, the proposed 40,000 square metre building represents the largest possible development on the site.
- 2.4.6 The lease of the new building will be for a term of fifteen years with an option to extend the lease for a further term of five years.
- 2.4.7 The lease will commence on practical completion of the development which is programed for June 2010.
- 2.4.8 A lease incentive has been offered and will be used to offset the total outlays associated with the construction of the fit-out.
- 2.4.9 The Building will be an A Grade (Property Council of Australia) building and offer the latest technology in building services. Key features of the buildings are:
- large efficient floor plates;
 - minimum Australian Building Greenhouse Rating (ABGR) 4.5 star and Green Building Council of Australia (GBCA) 5 Green Star rating;
 - ground level showers, lockers and bicycle parking;
 - on-site café;
 - close proximity to retail and service facilities, public transport and paid parking;
 - stormwater collection and grey water treatment and reuse; and
 - a single entry point for security purposes.
- 2.4.10 The fitout works to be undertaken include:
- Integration of services into the base building works including electrical, air-conditioning, ventilation, lighting control, voice and 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 amenities and communication equipment rooms;
 - Workstations including desks and personal storage units. Power and data cables will be reticulated in the screens between the workstations; and
 - Loose furniture.

2.5 Project Delivery

- 2.5.1 The ADCOL provides DEEWR with a number of project delivery options. At this stage, the developer has been instructed to design the fitout works and the integration works. The integration works are those that are required to install the building services (air

conditioning, electrical, hydraulics and fire) to suit the fitout requirements. On completion of documentation, the fitout works will be tendered by the developer in accordance with the Commonwealth Procurement Guidelines. If DEEWR is satisfied that the tender prices provide value for money and are in accordance with its budget, it will instruct the developer to proceed with construction of the integrated fitout. The work will be undertaken on a guaranteed maximum price basis whereby, with the exception of variations, the developer will be responsible for all costs which exceed an agreed fitout budget. Cost control will be managed by DEEWR's Quantity Surveyor and subject to review by DEEWR's Accommodation Committee.

- 2.5.2 The tendering of the workstations, loose furniture and whitegoods packages will be carried out by DEEWR direct in accordance with the Commonwealth Procurement Guidelines.
- 2.5.3 If DEEWR does not elect to integrate the fitout, the works will be carried out after practical completion of the building in 2010. This would delay occupancy by approximately 9 months and may require negotiation of an extension of some lease terms.

2.6 Program

- 2.6.1 The key milestones if DEEWR elects to proceed with an integrated fitout are:
- DEEWR's final approval to fitout design 22nd September, 2008
 - Developer to tender fitout trade packages 20th October, 2008
 - Fitout commencement 17th February, 2009
 - Practical completion of fitout and base building 29th June, 2010
- 2.6.2 The developer's program assuming an integrated fitout is included as Annexure G.
- 2.6.3 Subject to Parliamentary approval and to satisfactory pricing of the tendered trade packages, integration of the fitout is DEEWR's preferred option. Under this arrangement the fitout will be undertaken concurrently with the base building construction which will commence in March, 2008 and is scheduled for practical completion in June, 2010. Fitout is expected to commence in February, 2009. Occupancy is expected to occur in mid 2010. Current leases have been structured to expire no earlier than mid 2010 to avoid the risk of penalties associated with short term "holding" leases.

2.7 Other Options considered and comparative costs

- 2.7.1 DEEWR has undertaken a thorough investigation of the Canberra City market to determine the availability of alternate accommodation solutions large enough to

accommodate DEEWR's requirements. These investigations included an open invitation to the market to register an Expression of Interest (EOI) to provide leased office accommodation in the Canberra City. At that time, all of the former DEST's accommodation was located in the city and the department considered that a proposed relocation away from the city would cause considerable disruption to staff and subsequently, business delivery.

- 2.7.2 The department sought accommodation proposals for collocated office accommodation in the city in either refurbished or new buildings. In seeking proposals for collocated accommodation, DEEWR invited solutions from either single buildings or a number of buildings within a single precinct in the City.
- 2.7.3 In response to the EOI, DEEWR received eleven (11) responses which proposed a range of solutions. A number of responses were received for existing buildings in the City. Three responses offering accommodation in Barton, Belconnen and the Canberra Airport were not considered on the basis that the proposals did not meet the stated requirement for a City location.
- 2.7.4 Following an assessment of the size and location of the properties offered in response to the invitation to lodge an EOI, four responses were shortlisted for participation in a formal Request for Proposal (RFP).
- 2.7.5 Immediately prior to releasing the RFP, the shortlisted organisations were asked to confirm that the proposal submitted in response to the EOI was still available. Three of the four shortlisted organisations advised that they were no longer able to proceed with the original offer in response to the EOI.
- 2.7.6 DEEWR considered the availability of existing buildings, or groups of buildings in close proximity, which might be large enough to meet DEEWR's requirements.
- 2.7.7 Legal and Probity advice was obtained in relation to the risks associated with proceeding with negotiations with a single respondent. Single source negotiations are not uncommon and have recently been used by agencies such as Centrelink and the Department of Agriculture, Fisheries and Forestry's to secure long term office accommodation.

2.8 Amount of revenue derived from the project

- 2.8.1 DEEWR's lease of the building includes the whole of the ground floor. It is proposed to sub-lease approximately 300 square metres of the ground floor space on the Marcus Clarke Street frontage for a café.
- 2.8.2 The rental from the café is expected to be cost neutral.

2.8.3 The capital cost of the fitout will be borne by the café operator.

3 Technical Information

3.1 Project location

3.1.1 The DEEWR office fitout is part of the Section 31 City (West) development. Annexures B to F provide a site location plan, site plan, building elevation and indicative floor plans.

3.1.2 The new building is to be constructed on the former QEII Nursing Mothers Hospital site known as Block 9 Section 31, City. The site is located on Marcus Clarke Street in Canberra City, between Rudd and Alinga Streets.

3.2 Project scope

3.2.1 The proposed fitout will include:

- allocated office space for SES and EL2 officers;
- open plan office accommodation for EL1 and APS Level officers;
- flexible, modular office design and demountable partitions;
- breakout areas and kitchens;
- meeting rooms;
- theatrette on ground floor;
- mail room, equipment, storage and resource areas;
- separately air conditioned communications equipment rooms;
- carers' and first aid rooms;
- showers, lockers and bicycle storage;
- basement parking spaces;
- staff gymnasium on level 12;
- standard workstations and personal storage units; and
- loose furniture.

3.2.2 It is too early to identify which of DEEWR's business groups will be located in the new building. In order to cater to structural changes that are likely to occur within the Department, the fitout will be designed to provide a flexible and generic layout capable of accommodating most groups with minimal changes.

3.2.3 Offices and meeting rooms will be located away from the perimeter to enable maximum efficiency with an open office layout and equitable access to natural light.

- 3.2.4 'Breakout' spaces will be provided on each floor for informal gatherings away from work areas.
- 3.2.5 Interconnecting stairs between floors will be provided to facilitate staff movement between floors and encourage a high level of interpersonal communication.
- 3.2.6 The new building allows for a single security and reception facility on the ground floor at the building entrance.

3.3 Details of the site selection

- 3.3.1 In 2005, the former DEST invited Expressions of Interest (EOI) to provide appropriate A grade accommodation to consolidate its then nine offices. Proposals were received from eleven organisations, from which four responses were shortlisted for participation in a formal Request for Proposal. By RFP stage, only one proposal was still available.
- 3.3.2 The site was selected following extensive market investigations.
- 3.3.3 The proposal for Block 9, Section 31 was selected as it represented a sound value-for-money solution while providing DEEWR with a high quality, contemporary, flexible and effective office space.

3.4 Site description

- 3.4.1 The 4,801 square metre site is located on Block 9, Section 31, Canberra City. The building is to be constructed on the site of the former QEII Nursing Mothers Hospital and will have its main frontage on Marcus Clarke Street with the primary entrance at the corner of Marcus Clarke and Rudd Streets. The site is bounded to the north by Rudd Street and to the south by Alinga Street.
- 3.4.2 The site will be part of the rapidly changing City West area and is adjacent to the ACT Health building, opposite Canberra House, Philips Fox building and the developing ANU Exchange precinct.

3.5 Information on zoning and approvals

- 3.5.1 Block 9, Section 31 is located within that part of the City to which "Principles for Civic" and "Policies for Civic" of the National Capital Plan apply. The Principles and Policies for Civic are set out at Part 4.5.4.1 and 4.5.4.2 of the National Capital Plan respectively. The development of the site will conform with the requirements of the National Capital Plan and the requirements of the Territory Plan, particularly Part B2A Commercial A (Civic Centre) Land Use Policy Section 4.3 Precinct 'B1 – Main Office Area and City West Area' and the relevant lease and development conditions approved by the ACT Planning and Land Authority.

- 3.5.2 Planning for the site is the responsibility of the ACT Government which has established a set of Lease and Development conditions for the site, the building and associated works. The site is located in the City West precinct which has a land use policy allowing office and retail facilities.
- 3.5.3 Walker Corporation has submitted a development application which fully complies with the Lease and Development Conditions. The period for public comment on the Development Application (DA) closed 18 December 2007 with no objections. The ACT Planning and Land Authority (ACTPLA) executive review has been completed with no requests for additional information. It is expected that DA approval will be obtained by end March 2008.
- 3.5.4 ACTPLA's development approval incorporates all aspects of development of the site and includes issues such as building design principles, pedestrian and vehicle access, public transport, sustainability, water sensitive urban design, verge improvement and tree retention.
- 3.5.5 ACTPLA identified five significant trees on the southern boundary that are to be retained and protected. The building design compliments these trees and caters for their welfare with a setback from floor six and above to allow sufficient sunlight to the canopy of the trees. The developer is required to ensure that they are protected and their existence will be incorporated into the landscape design.
- 3.5.6 All works are to be carried out in accordance with the *Environment Protection Act 1997* and the developer is required to provide a written statement detailing all chemicals and onsite processes that can potentially produce adverse environmental impacts.
- 3.5.7 Approval from other relevant authorities for works approval will be sought as required, including the ACT Planning and Land Authority.

3.6 Details of land acquisition

- 3.6.1 The site is on non designated, Territory controlled land. The ACT Land Development Agency (LDA) entered into a joint venture arrangement with Walker Corporation to respond to DEST's Expression of Interest. The agreement between LDA and Walker was that ownership of the land will transfer to Walker Corporation on execution by the tenant of the Agreement to Lease and on issue of an approved Development Application. As the Agreement to Lease was executed in October, 2007, the issue of the Development Application is the final condition. This is expected to occur by the end of March, 2008.
- 3.6.2 The Commonwealth will occupy the site under an ACT sub-lease from Walker Corporation.

3.7 Details of applicable codes and standards

3.7.1 The fitout will comply with all statutory requirements including the Building Code of Australia, ACT Planning and Land Authority and Australian Standards. DEEWR will ensure that all relevant codes and standards are included in the design and building briefs.

3.8 Planning and design concepts, including structure, materials and finishes, mechanical services, hydraulic services, electrical services, landscaping and civil works

3.8.1 Planning & Design Concepts

3.8.1.1 The quality of building finishes and services are to "A" Grade standard in accordance with the Property Council of Australia Office Quality Grade Matrix

3.8.2 Materials and Finishes

3.8.2.1 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.

3.8.2.2 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.

3.8.3 Mechanical Services

3.8.3.1 Air conditioning for the building is provided through a traditional plant consisting of roof mounted cooling towers, chillers, boilers and air handling plant. This modern plant takes advantage of technological improvements to operate efficiently and reduce energy usage.

3.8.3.2 Chilled water will be provided by three high efficiency, twin circuit, frictionless magnetic bearing, variable speed centrifugal compressor chillers.

3.8.3.3 Water heating will be provided three 3 natural gas fired, forced draft burner high efficiency boilers.

3.8.3.4 Heat rejection from the chillers and supplementary air conditioning equipment will be provided by three cooling towers with variable speed drive fans. Microbial control of the water in the cooling towers will be in accordance with the ACT Department of Health and Community Care and AS/NZS 3666.1 standards.

3.8.3.5 Two supplementary cooling water loops will allow for twenty four hour cooling of specialised communications areas.

3.8.4 Lifts

The building will be provided with nine passenger lifts and one goods lift servicing all twelve levels of the building. The three basement levels will be serviced by four lifts.

The lifts will be Schindler utilising destination control.

3.8.5 Fire Services

The entire building will be provided with sprinkler protection including concealed ceiling space detectors. The system will comply with the Building Code of Australia (BCA) and Australian Standard 2118.1.

A smoke detection system will be installed to activate the occupant warning system and smoke hazard management system as required by the BCA.

The Emergency Warning and Intercommunications System (EWIS) will be activated into alert mode when any of the following are activated:

- sprinkler head
- manual call point
- smoke/thermal detector

3.8.6 Hydraulic Services

3.8.6.1 Wet stacks and relief vents are provided to enable tenant kitchen facilities to be located where required.

3.8.6.2 Male and female showers and lockers will be located on the ground floor.

3.8.6.3 Water saving initiatives will include waterless urinals, treated grey water dual flush pans and automatically controlled 'timer taps'.

3.8.7 Electrical Services

3.8.7.1 The electrical installation includes electrical supply, metering, distribution, lighting and special purpose power in compliance with Statute and Regulations.

3.8.7.2 The building will employ tenancy sub-metering, the highly efficient Digital Addressable Lighting Interface (DALI) lighting system with provision for a diesel standby generator.

3.8.7.3 Category 6 data cabling will be utilised throughout the building.

3.8.7.4 Vertical power and data distribution is provided through riser ducts.

3.8.7.5 Provision of Master Antenna TV services and an ICON connection have been included in the base building design.

3.8.8 Landscaping and other civil works

- 3.8.8.1 Landscaping surrounding the works will meet the ACT Planning and Land Authority's City Task Force standards for aesthetics and crime prevention, including vandal resistant lighting and finishes.
- 3.8.8.2 Attractive community space will be provided through the planting of additional trees and provision of bench seating around the Marcus Clarke, Rudd and Alinga Streets frontages.

3.9 Acoustics

- 3.9.1 The building design incorporates measures to reduce noise in the work environment including double glazed external windows, acoustic ceiling tiles and carpeted floors. Attention will also be paid to air-conditioning to reduce noise from air movement and mechanical plant.
- 3.9.2 Acoustic performance criteria has been incorporated into the fitout brief to ensure adequate noise insulation between offices, meeting rooms, conference rooms, training rooms and other work spaces.
- 3.9.3 Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements of Australian Standard AS1055 Acoustics.

3.10 Water and Energy conservation measures including energy targets

- 3.10.1 The proposed building will comply with the Commonwealth energy guidelines relating to energy efficient buildings and meet a 4.5 star Australian Building Greenhouse Rating (ABGR) and a Green Building Council of Australia (GBCA) 5 Green Star rating (Australian excellence).
- 3.10.2 The 4.5 star ABGR relates specifically to energy consumption in accordance with current Commonwealth requirements and will be achieved by implementing and installing the following:
- highly efficient mechanical systems incorporating chillers with frictionless magnetic bearings;
 - T5 low energy lighting;
 - state-of-the-art Building Management System which will control the plant;
 - DALI lighting control systems throughout the tenancy and base building ensuring common area lights are switched off when not in use;

- double glazed, thermally efficient glazing allowing a high level of natural light while reducing the solar heat load;
- minimised feature base building lighting;
- purchasing of energy efficient white goods and office machines; and
- ensuring personal computers are switched off when not in use.

3.10.3 A specialist consultant has been engaged jointly by the developer and DEEWR to provide advice and audit functions to ensure achievement of GBCA 5 Green Star rating of the both base building and fitout. Integration of the fitout with base building construction provides significant additional Green Star points.

3.10.4 DEEWR's Base Building Brief details specific environmental management requirements including:

- selection of high performance, energy efficient HVAC systems and controls;
- selection of low energy lighting systems and controls;
- use of integrated Building Management Systems that enhance the operation of the HVAC and lighting systems;
- alternative energy sources including the use of renewable energy and onsite power generation to reduce greenhouse gas emissions, energy consumption and resource consumption;
- efficient hydraulic services that reduce water consumption and water flow to waste;
- efficient appliance selection to reduce energy consumption including computer equipment, fridges, microwaves, potable hot water heaters etc;
- water harvesting and recycling; and
- waste water treatment including grey water and black water.

3.10.5 The Water efficiency and recycling

3.10.5.1 In order to reduce water consumption, the building design includes provision for waterless urinals, treated grey water dual flush pans and automatically controlled 'timer taps'.

3.10.5.2 The new building will have a grey water recycling system capable of treating 20,000 litres per day. This water will be collected from showers and sinks throughout the premises. The system includes a 20,000 litre tank that will supply the toilets, urinals and

landscape irrigation. The water will be treated in order to achieve the Class A grey water standard.

3.10.5.3 In addition to grey water collection, a 70,000 litre rainwater tank will be provided to supplement the supply to the toilets and irrigation system. This water will be filtered and sterilised using ultraviolet treatment.

3.10.6 Electrical Services

3.10.6.1 The proposed building will employ the highly efficient DALI lighting system. This ultra-modern system utilises long-life, low energy T16/T5 fluorescent lamps. Lamps located along the perimeter windows will have integral photoelectric cells for auto dimming with day lighting. Lamps in offices, meeting rooms and occasional rooms will employ motion detectors to ensure that they are operational only when required. The system will be programmed to automatically switch off all non-emergency lighting at a specified time each evening. Open plan office areas will have maximum lighting zones of 100 square metres.

3.10.6.2 Large windows and open plan floor layouts will maximise access to natural light further reducing lighting usage.

3.10.7 Mechanical Services

3.10.7.1 As an additional energy saving measure, the developer is investigating installation of a Trigeration plant system which will provide heating, cooling and power generation during standard office hours. This highly efficient system uses the excess heat produced in power generation to run the chillers and heating during peak energy demand times. Power generation commences automatically as the building energy demand increases to provide a parallel power supply. Trigeration systems are said to achieve significant fuel efficiency gains over standard cogeneration heating/chiller plants. The decision by the developer to proceed with this technology will depend upon "whole of life" economic cost benefit analysis.

3.10.7.2 Implementation of chillers running on magnetic bearings will further increase efficiency in the mechanical systems.

3.10.7.3 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 (8:00 AM to 6:00 PM business days).

3.10.7.4 Provision of two supplementary cooling water loops allows for 24 hour cooling of specialised communications areas without the need for the main chillers to be running at full capacity.

3.11 Provisions for people with disabilities

3.11.1 The DEEWR Base Building Brief details a number of requirements for people with disabilities including:

- the building shall be designed to comply with the latest edition of AS1428.2 and as a minimum, it must comply with the mandatory parts of the code under the Building Code of Australia;
- provision of disabled parking for staff;
- a separate disabled toilet on each floor and disabled shower facility to be provided on the ground floor;
- suitable access to the building;
- all lifts to be accessible and provide facilities in accordance with the latest edition of the Australian Standards (AS1735.12 and AS 1428)
- lifts, access ways, doorways and accessible toilets and showers will be sized and designed to conform to Australian Standards and the Building Code of Australia.

3.12 Heritage issues

3.12.1 There are no known heritage issues in relation to this site.

3.13 Child-care provisions

3.13.1 Focus group discussions were held with staff in October, 2007 to discuss options for including a child care facility on the ground floor.

3.13.2 Significantly the staff feedback was that there is a clear preference (about two thirds) for DEEWR to work to help its people access off-site child care facilities and to use the ground floor to provide amenities such as conference and meeting rooms, a family care facility and a theatrette.

3.13.3 Consequently, on-site child care facilities have not been included in the design of the new building.

3.14 Fire protection and security measures

3.14.1 The building brief requires provision of base building fire services in accordance with the Building Code of Australia and the 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 lighting connected to an automatic testing system;
- Materials with fire resistance in accordance with Type A construction as per the Building Code of Australia; and
- An Emergency Warden Intercom System communication system for emergency communication with building occupants.

3.14.2 The fitout works will be designed in accordance with the Protective Security Manual in order to achieve an ASIO T4 'Intruder Resistant' security rating.

3.14.3 Security measures will include tamper evident finishes to the ground floor, level 1 and nominated 'secure areas'. Access control will be provided by speed gates at the main entry and monitored by a guard station.

3.14.4 An accredited independent Building Certifier will be engaged to certify compliance of all works.

3.15 Occupation health and safety measures

3.15.1 The agreement for lease requires that the developer ensures that all contractors and sub-contractors comply with Occupational Health and Safety (OH&S) legislation appropriate to the building site.

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

3.15.3 The proposed work place will have characteristics that:

- use modular work points that provide functional support, storage and a level of privacy;
- preserve natural light and views;
- have the capacity for visual variation; and
- give a feel of vibrancy and energy (through the use of colour and natural light).

3.15.4 Lighting and window treatments are specified to reduce glare and provide appropriate lighting levels for the tasks being performed.

3.16 Landscaping

3.16.1 Landscaping will comply with National Capital Authority requirements and will include signage and enclosed facilities for waste.

3.17 Consultation with relevant authorities

3.17.1 A formal consultative approach has been adopted to provide expert advice in relation to various aspects of the project. The following agencies have been consulted to date:

- Department of Finance and Deregulation;
- Department of Climate Change; and
- Office of the Federal Safety Commissioner in relation to the Australian Government Building and Construction OH&S Accreditation Scheme.

3.17.2 Both DEEWR and the developer have, and will continue to, consult and work closely with all relevant ACT Government authorities including ACT Planning and Land Authority (ACTPLA), Territory and Municipal Services (TAMS), Chief Minister's Department and the Fire Brigade.

3.17.3 The DEEWR consultant team includes:

- MinterEllison (Legal);
- Wilde and Woollard (Quantity Surveyors);
- Woodhead International (Architects);
- XACT Project Consultants (Project Manager); and
- Bassett (Engineering and Security Consultants)

3.18 Impact on the local community (eg employment, traffic flow, community resources)

3.18.1 Hughes Trueman conducted a Traffic Micro-Simulation and concluded that there will be no noticeable decrease in the Level of Service at any of the surrounding intersections as a result of the proposed development.

3.18.2 Development of the site will:

- have no significant impact on the natural or human environment;
- encourage improved utilisation of existing public facilities and transport infrastructure;
- make use of, and improving existing engineering services including water, sewerage and storm water in the area; and
- have a positive effect on the local economy via creation of jobs during the construction and fitout.

3.19 Project costs

3.19.1 Outline

3.19.1.1 The budget for fitout is \$66.6 m (excluding GST) and includes contingency, project management, design and documentation and escalation to 2010. The estimate assumes that DEEWR selects the integrated fitout option and has been prepared by Wilde and Woollard, Quantity Surveyors, based on DEEWR's tenancy brief for the new building.

3.19.1.2 Funding for the project will come from within existing Departmental appropriations.

3.19.1.3 As part of DEEWR's approach to an environmentally sustainable development, existing equipment and furniture will be utilised where practicable.

3.19.2 Value for Money

3.19.2.1 In assessing the alternative options available, DEEWR undertook a whole-of-life assessment and determined that the proposed development provides a value for money property solution. The business case for Reg 10 approval from the Department of Finance and Deregulation examined the economic feasibility of the proposal.

3.19.2.2 Further cost and time savings may be realised if DEEWR is able to secure an integrated fitout.

3.20 Project Delivery

3.20.1 The ADCOL provides DEEWR with a number of project delivery options. At this stage, the developer has been instructed to design the fitout works and the integration works. The integration works are those that are required to install the building services (air conditioning, electrical, hydraulics and fire) to suit the fitout requirements. On completion of documentation, the fitout works will be tendered by the developer in accordance with the Commonwealth Procurement Guidelines. If DEEWR is satisfied that the tender prices provide value for money and are in accordance with its budget, it will instruct the developer to proceed with construction of the integrated fitout. The work will be undertaken on a guaranteed maximum price basis whereby, with the exception of variations, the developer will be responsible for all costs which exceed an agreed fitout budget. Cost control will be managed by DEEWR's Quantity Surveyor and subject to review by DEEWR's Accommodation Committee.

3.20.2 The tendering of the workstations, loose furniture and whitegoods packages will be carried out by DEEWR direct in accordance with the Commonwealth Procurement Guidelines.

- 3.20.3 If DEEWR does not elect to integrate the fitout, the works will be carried out after practical completion of the building in 2010. This would delay occupancy by approximately 9 months and may require negotiation of an extension of some lease terms.

3.21 Program

- 3.21.1 The key milestones if DEEWR elects to proceed with an integrated fitout are:

- DEEWR's final approval to fitout design 22nd September, 2008
- Developer to tender fitout trade packages 20th October, 2008
- fitout commencement 17th February, 2009
- practical completion of fitout and base building 29th June, 2010

- 3.21.2 The developer's program assuming an integrated fitout is included as Annexure G.

- 3.21.3 Subject to Parliamentary approval and to satisfactory pricing of the tendered trade packages, integration of the fitout is DEEWR's preferred option. Under this arrangement the fitout will be undertaken concurrently with the base building construction which will commence in February, 2008 and is scheduled for practical completion in June, 2010. Occupancy is expected to occur in mid 2010. Current leases have been structured to expire no earlier than mid 2010 to avoid the risk of penalties associated with short term "holding leases".

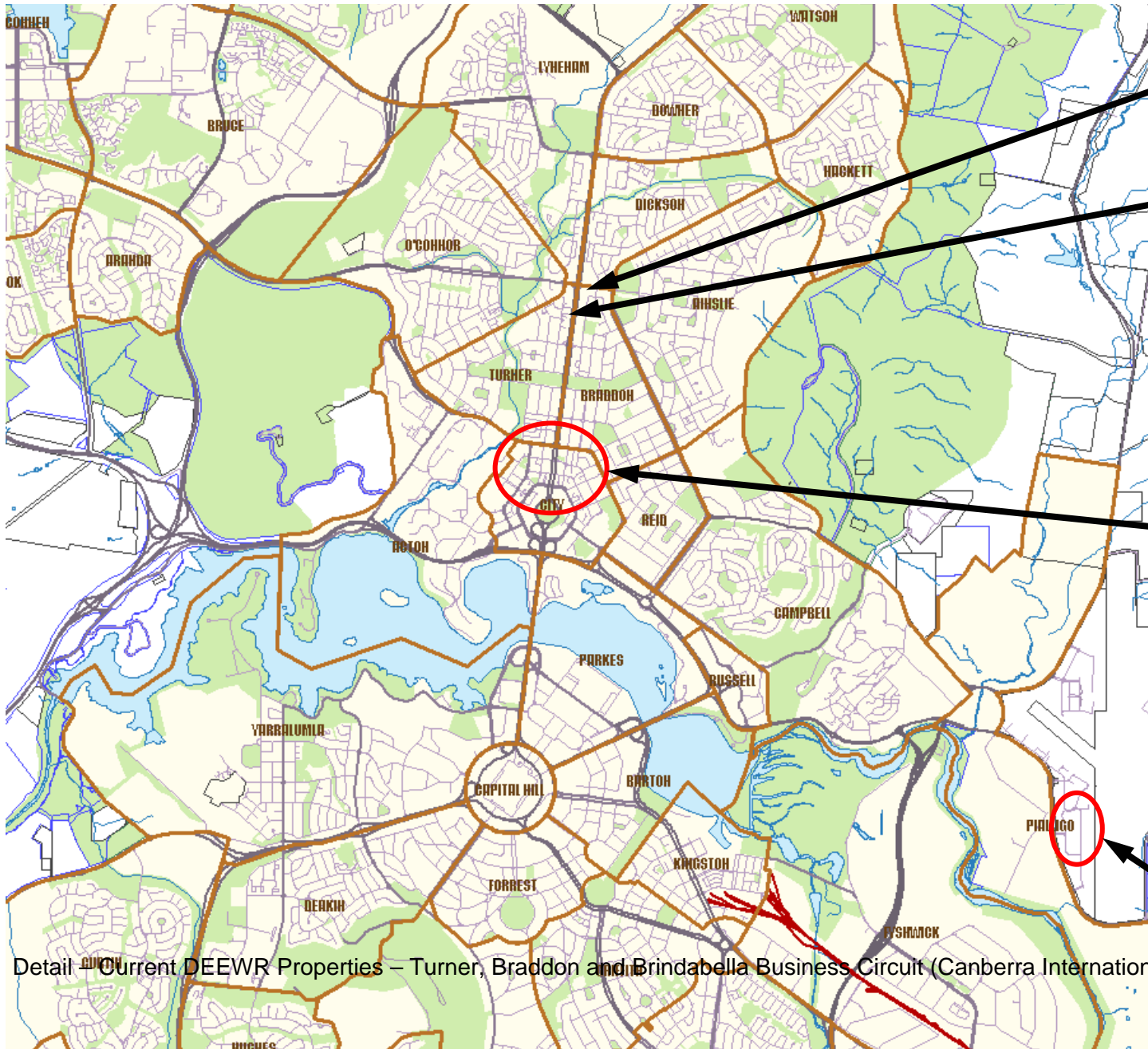
3.22 Sketch Designs

- Annexure A Current DEEWR Property Details
- Annexure B Site Location Plan
- Annexure C Site Plan
- Annexure D Marcus Clarke Street Elevation
- Annexure E Indicative Floor Plans
- Annexure F Indicative Fitout Plans
- Annexure G Construction Program
- Annexure H Perspective View

Annexure A – DEEWR ACT Property Locations

	Location	Address	Net lettable Area (m²)	Lease End Date
1	Canberra City	16 -18 Mort Street	14,506	13-Mar-13
2	Canberra City	148-180 City Walk (Garema Court)	10,833	13-Nov-11
3	Canberra City	14 Mort Street	9,384	9-Oct-12
4	Canberra City	10 Mort Street	7,880	13-Nov-11
5	Canberra City	12 Mort Street	7,693	13-Nov-11
6	Canberra City	72 Northbourne Avenue	3,811	30-Jun-10
7	Canberra City	64 Northbourne Avenue	3,456	13-Nov-11
8	Canberra City	220 Northbourne Avenue	3,105	31-Jul-09
9	Canberra City	240 City Walk	2,834	1-Aug-09
10	Turner	217 Northbourne Avenue	2,400	31-Aug-09
11	Canberra City	71 Northbourne Avenue	2,064	31-Jul-12
12	Canberra City	34 East Row	1,726	31-Jan-09
13	Canberra City	17 Mort Street	1,699	30-Jun-10
14	Canberra City	60 Marcus Clarke Street	1,351	30-Apr-11
15	Canberra City	15 Moore Street	1,074	30-Apr-09
16	Turner	19-23 Moore Street	520	30-Nov-07
17	Canberra City	12 Moore Street	518	31-Mar-08
18	Canberra Airport	14 & 16 Brindabella Business Circuit	10,971	13-Nov-11
19	Canberra Airport	29 & 31 Brindabella Business Circuit	9,635	28-Feb-12
20	Canberra Airport	20 Brindabella Business Circuit	1,362	30-Nov-11
21	Canberra Airport	18 Brindabella Business Circuit	329	30-Nov-11

Location of Current Properties



Braddon
 Former DEST
 • 220 Northbourne Avenue

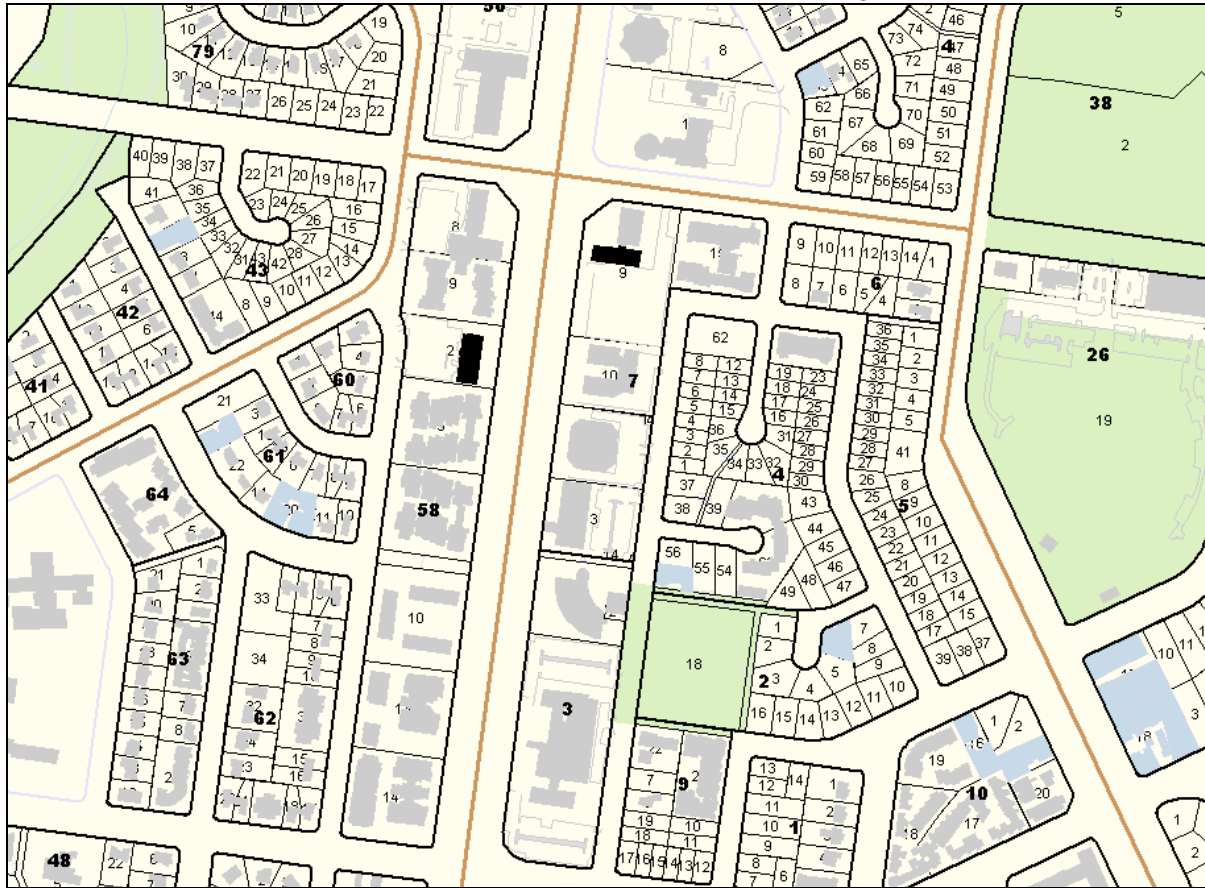
Turner
 Former DEWR
 • 217 Northbourne Avenue

Canberra City
 Former DEST
 • 16 -18 Mort Street
 • 14 Mort Street
 • 17 Mort Street
 • 240 City Walk
 • 60 Marcus Clarke Street
 • 71 Northbourne Avenue
 • 72 Northbourne Avenue

Former DEWR
 • 148–180 City Walk (Garema Court)
 • 12 Moore Street
 • 19-23 Moore Street
 • 10 Mort Street
 • 12 Mort Street
 • 64 Northbourne Avenue
 • 34 East Row
 • 15 Moore Street

Brindabella Business Park
 Former DEWR
 • 14 & 16 Brindabella Circuit
 • 18 Brindabella Circuit
 • 20 Brindabella Circuit
 • 29 & 31 Brindabella Circuit

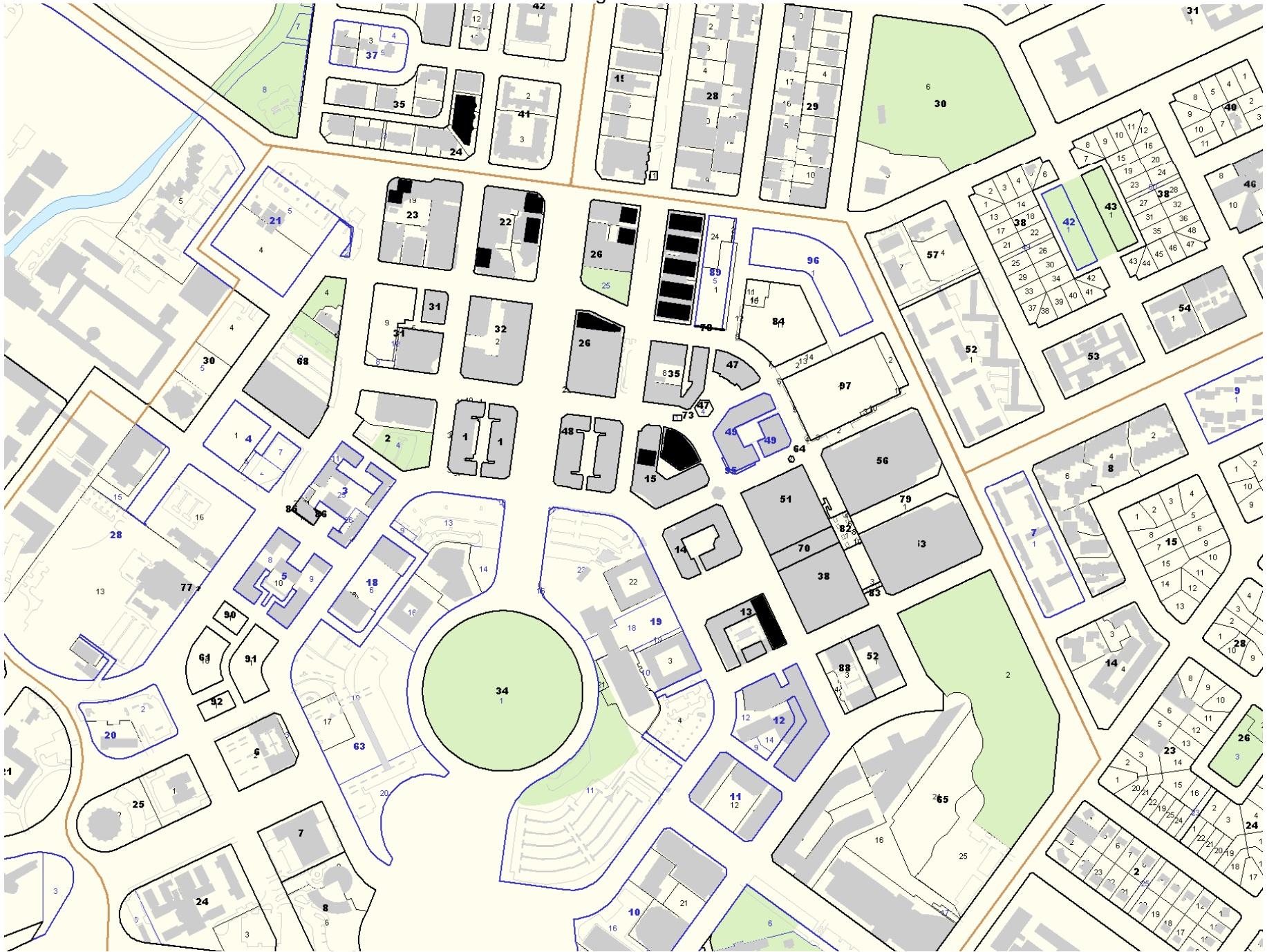
Detail – Current DEEWR Properties – Turner, Braddon and Brindabella Business Circuit (Canberra International Airport)



Turner & Braddon



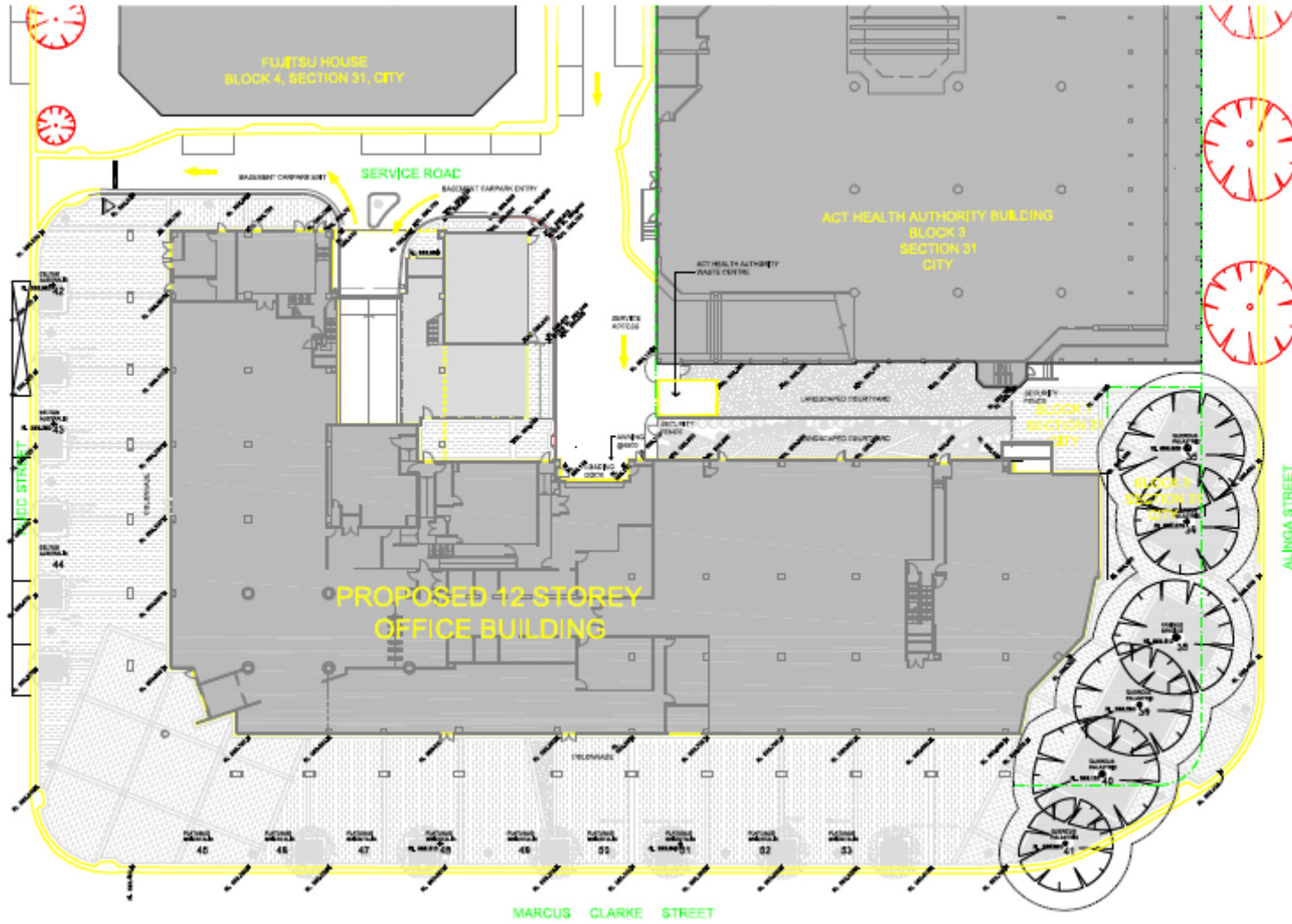
Brindabella Business Park -
Canberra International
Airport



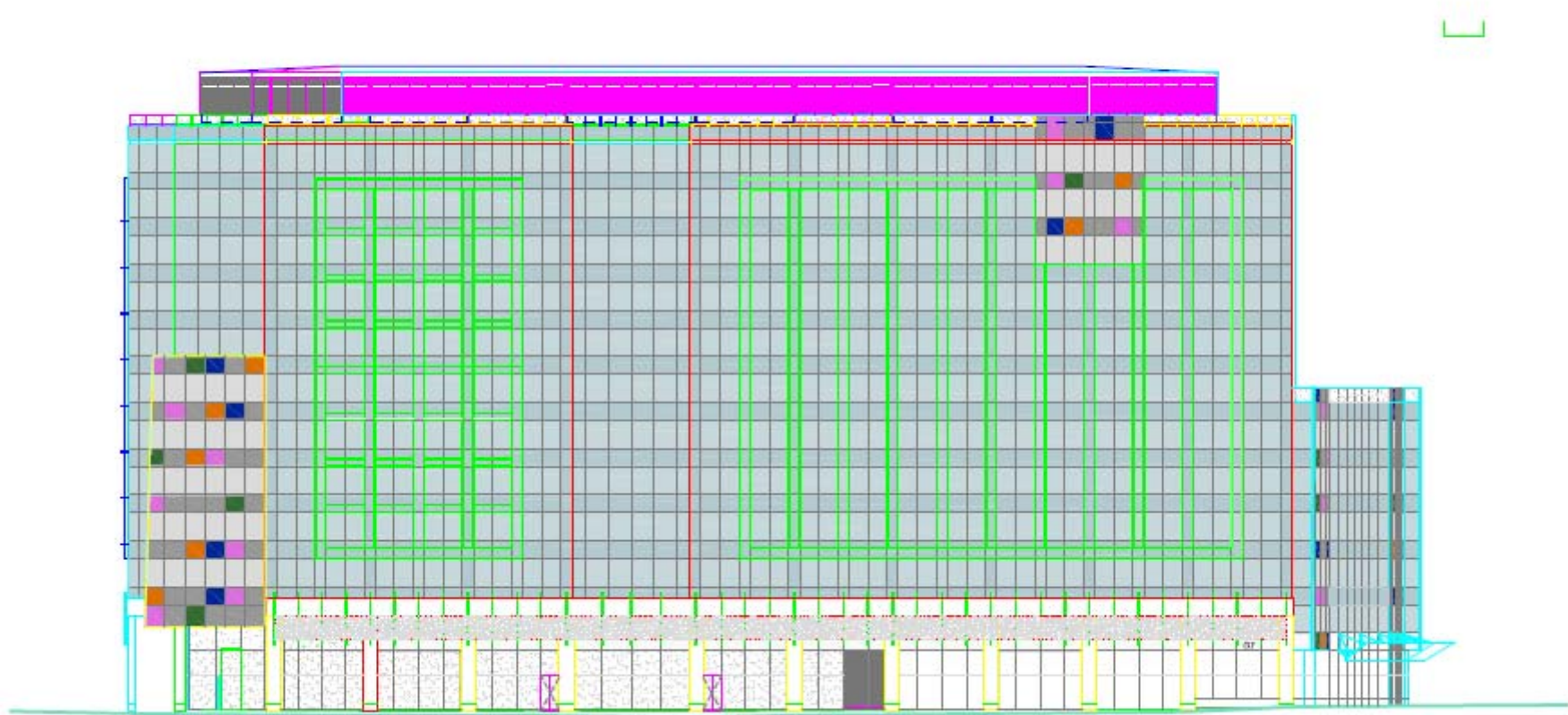
Annexure B – Proposed Site Location



Annexure C – Site Plan



Annexure D – Elevations
Marcus Clarke Street Elevation

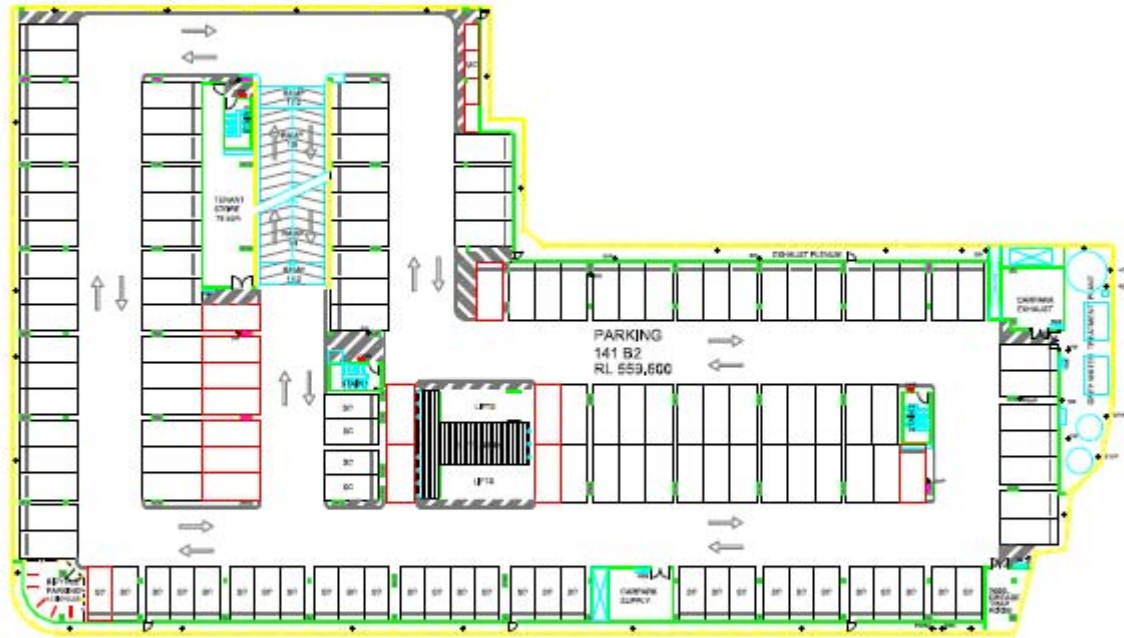


Marcus Clarke Street Elevation

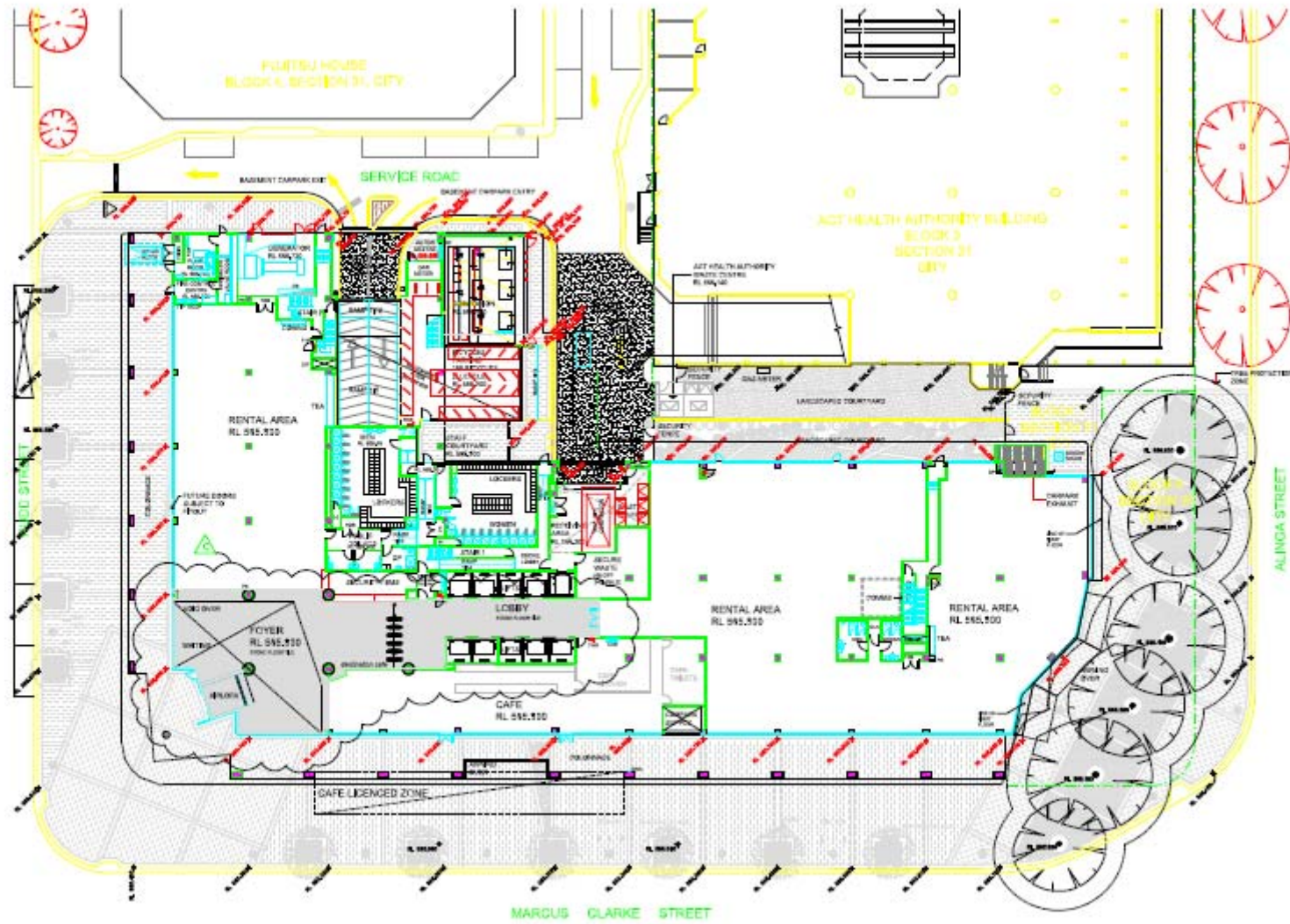


Annexure E – Indicative Floor Layouts

Basement



Ground Floor



Level 1



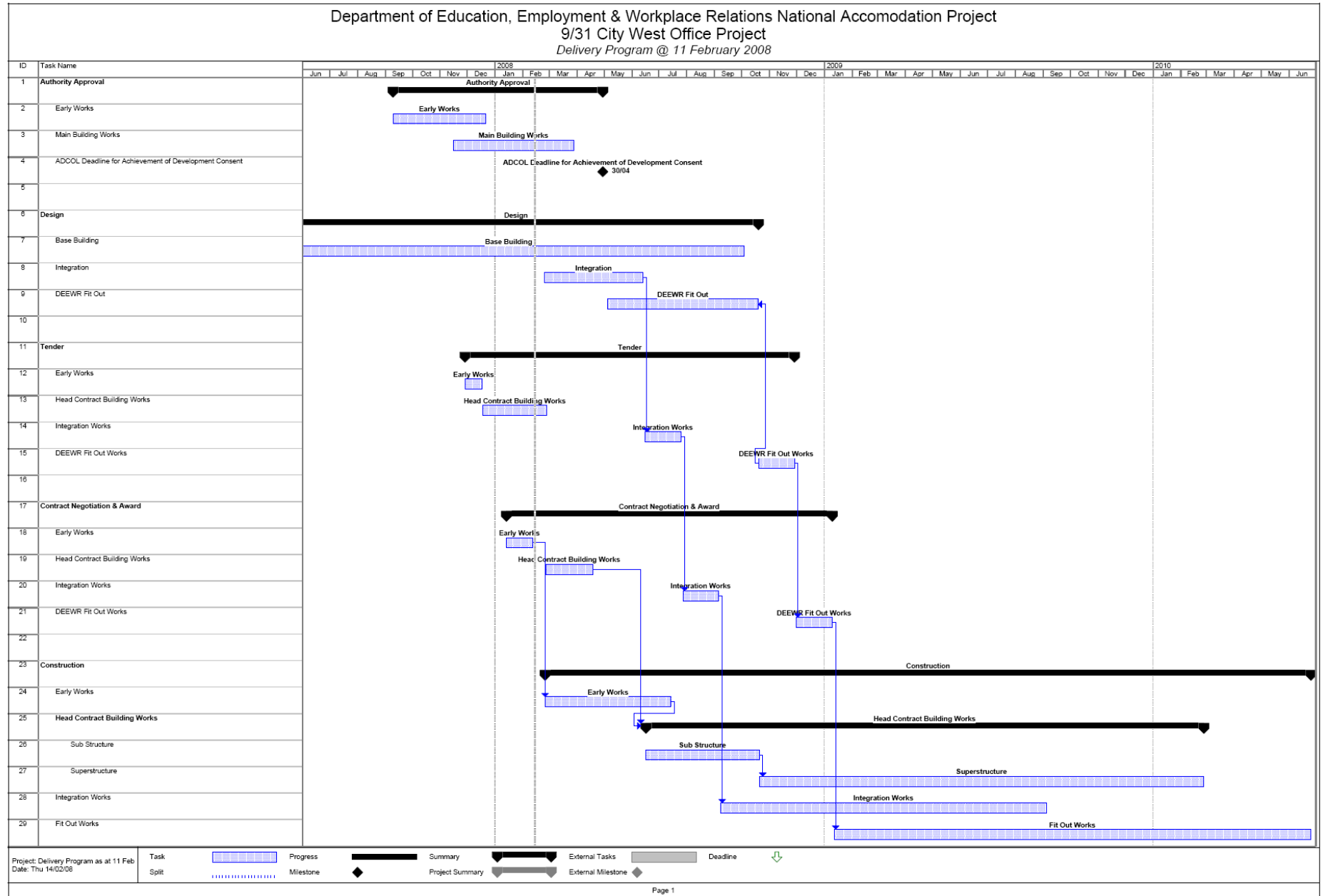
Standard Floor



Annexure F – Indicative Fitout Layout



Annexure G – Construction Program



Annexure H – Perspective View
Corner Marcus Clarke and Rudd Streets

