

**Submission to the  
Parliamentary Standing Committee on Public Works**  
*(Public Works Committee Act 1969)*

**Australian Customs Service**

**Proposed Fit-out of New Leased Premises  
for the Australian Customs Service at  
1010 LaTrobe Street, Melbourne Docklands**

**SEPTEMBER 2005**

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# CONTENTS

## 1. IDENTIFICATION OF THE NEED

1.1	Purpose	5
1.2	Objectives	5
1.3	Historical background	6
1.4	Identifying options	6
1.5	Findings	6
1.6	Reasons for selection of the Port 1010 Building	6
1.7	Acceptance of recommendation	7
1.8	Probity	7
1.9	Description of Port 1010 Building proposal	7
1.10	Environmental impact assessment	9
1.11	Heritage considerations	10
1.12	Details of organisations consulted	10
1.13	Amount of revenue, if any, derived from the project	11

## 2. TECHNICAL INFORMATION

2.1	Location	11
2.2	Scope of work	11
2.3	Site selection and site description	14
2.4	Zoning and approvals	14
2.5	Land acquisition	15
2.6	Codes and standards	15
2.7	Planning and design concepts	15
2.8	Acoustics	17
2.9	Energy conservation measures	17
2.10	Master planning and site planning considerations	18
2.11	Provisions for people with disabilities	19
2.12	Heritage issues	19
2.13	Child-care provisions	19
2.14	Fire protection and security	20
2.15	Occupational health and safety	20
2.16	Landscaping	20
2.17	Consultation and future management arrangements	21
2.18	Local impact eg. employment	22
2.19	Project costs	22
2.20	Project delivery system	24
2.21	Construction program	24

## Annexure A Site and Floor Plans

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## 1. IDENTIFICATION OF THE NEED

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### 1.1 Purpose

1.1.1 The Australian Customs Service (“Customs”) seeks approval for the fitout of premises it proposes to occupy from April 2007 in the Digital Harbour precinct of the Melbourne Docklands.

### 1.2 Objectives

1.2.1 Customs vision is to be a world leader in Customs administration delivering high quality service to the community, industry and commerce.

1.2.2 Customs has three principal roles:

- To facilitate trade and the movement of people across the Australian border while protecting the community and maintaining appropriate compliance with Australian law;
- To efficiently collect Customs revenue; and
- To administer specific industry schemes and trade measures.

1.2.3 The client services charter outlines our commitment to providing quality service to all of our clients. Our clients are:

- the Australian community;
- government;
- industry;
- travellers; and
- other government agencies.

1.2.4 Customs is seeking to relocate from its existing Melbourne headquarters building at the end of the current lease (31 May 2007) to premises currently being constructed at 1010 LaTrobe Street, Melbourne Docklands, known as the Port 1010 Building.

1.2.5 Customs is expecting to realise a number of operational and administrative efficiencies by moving to the Port 1010 Building. These include:

- A cost effective property solution, with lower energy consumption and improved environmental initiatives.
- Advantages from technological improvements in building services.
- Efficiencies in infrastructure, eg training facilities, staff amenities, conference/meeting facilities and floor layout.
- Inclusion of Customs requirements into base building, eg security, air conditioning and other services.
- Improved provision for public contact, with the majority of public contact occurring on the ground floor.
- Minimisation of the costs of internal churn by adopting an open plan office fitout.
- Operational work allocation and resource utilisation efficiencies.

### **1.3 Historical background**

- 1.3.1 Customs has occupied the existing LaTrobe Street premises since 1992.
- 1.3.2 Customs has a net lease at the 414 LaTrobe Street premises, which is due to expire on 31 May 2005. Customs leases the entire building, consisting of 14,322 square metres and 88 car spaces. At the time of moving to the 414 LaTrobe Street premises Customs occupied the entire building, however primarily as a result of the transfer of the Excise function to the ATO in 1998, Customs now occupies only 10,183 square metres. The remaining floorspace is sub-leased to DEWR (4,000 square metres) and Austrac (400 square metres). With respect to car parking, Customs occupies 61 spaces with the remainder occupied by DEWR (25) and Austrac (2).

### **1.4 Identifying options**

- 1.4.1 In July 2004 a consultant appointed by Customs advertised an Expression of Interest (“EOI”) to lease suitable office accommodation in the Central Business District. The specifications sought were detailed in an Accommodation Requirement Brief prepared by the consultant.
- 1.4.2 In early January 2005, Customs appointed a negotiator to identify the most appropriate and best value for money option.

### **1.5 Findings**

- 1.5.1 A final submission was made by the consultant to Customs on 28 June 2005. The report recommended the Port 1010 Building at Digital Harbour, 1010 LaTrobe Street, Docklands as most preferred.

### **1.6 Reasons for selection of the Port 1010 Building at Digital Harbour**

- 1.6.1 The consultant recommended the Port 1010 Building at Digital Harbour on the basis of:
- (a) The highly attractive rental being offered.
  - (b) The Port 1010 Building will be required by VicUrban guidelines to have an Australian Green Building Rating of not less than 4.5 stars.
  - (c) The site at 1010 LaTrobe Street is highly proximate to the Port of Melbourne and Container Examination Facility, as well as providing excellent access to the freeway network and the airport precinct. It is also well served by public transport and is less than one kilometre from key external stakeholders such as the AFP, the AGS and DPP.
  - (d) The building will provide a high degree of amenity to staff and a fresh environment which should enhance morale and productivity. It is an innovative building with leading edge design features.

- 1.6.2 The Port 1010 Building has a gross floorspace of 15,300 square metres over nine levels, being the ground and eight office floors. It is proposed that Customs will occupy a portion of the ground floor and levels one to five. The building will feature state of the art security systems, and it is likely that the remaining floors will be let to Victorian Government agencies. The security measures proposed are considered to afford adequate safeguards for the parking of Customs vehicles and for the communication infrastructure to be located in a secure compound on the rooftop. Customs will hold the naming rights for the building at no cost other than the fees for planning approval and the installation of signage.

## **1.7 Acceptance of recommendation**

- 1.7.1 The overall assessment by the consultant took into account both financial and a range of non-financial factors associated with the quality of the buildings offered, security requirements, efficiency ratings, location, and an assessment of risks associated with each offer. Taking into account all factors the overall outcome was that the Port 1010 Building was ranked as better than the other offers. Customs has commenced negotiations for a ten year lease with a five year option for the Port 1010 Building. The proposal for the Port 1010 Building will incur fitout costs in the vicinity of \$12.5 million (GST inclusive).

## **1.8 Probity**

- 1.8.1 Customs appointed a probity officer from the Australian Government Solicitor in Melbourne who scrutinised the entire process. The probity officer was satisfied that the process was fair and equitable.

## **1.9 Description of Port 1010 Building proposal**

- 1.9.1 The development is proposed on a 4.4 hectare site being developed by Digital Harbour (Holdings) Pty Ltd (Digital Harbour), bounded by LaTrobe Street (south), Wurundjeri Way (east), Dudley Street (north) and Harbour Esplanade (west). Digital Harbour is one of seven developers each having responsibility for a different precinct of the Melbourne Docklands. The site of the Port 1010 Building is on the southwest corner of the allotment, facing LaTrobe Street and Harbour Esplanade. The premises will be designed and built to meet the Building Code of Australia and the expected nominal economic life is 40 years.
- 1.9.2 The premises comprises office accommodation of approximately 15,300 square metres spread over a ground floor and 8 office levels. Customs proposes to occupy approximately half of the ground floor and levels 1 to 5. Part of levels 6, 7 and 8 are let to Victorian Government tenants, whilst approximately 1,600 square metres on levels 6 and 7 is yet to be let. By agreement with Digital Harbour the balance of levels 6 and 7 shall only be let to tenants considered to be compatible with the other three tenants and to have a similar approach to security.

- 1.9.3 It is proposed that car parking will initially be provided for Customs operational vehicles and any disabled staff in an adjoining area immediately to the east of the Port 1010 Building, i.e. along LaTrobe Street towards the CBD. This car park will have space for 64 Customs vehicles on a covered asphalt surface, will be gated and will be constructed with a secure fence. It will be well lit and will be under constant video surveillance. It is expected that a multi-storey car park will be constructed on the site of the temporary car park within twelve to eighteen months of Customs occupying the Port 1010 Building. Construction of the multi-storey car park will only commence once Digital Harbour have secured firm commitments from future tenants for at least 50% of another office building to be built above or immediately to the east of the multi-storey car park fronting LaTrobe Street. During the period when the multi-storey car park is being constructed, alternative temporary parking will be made available adjacent to the Innovation Building at Digital Harbour, a short walk to the north-east. The multi-storey car park will be capable, when finished, of incorporating sky-bridge access to the Port 1010 Building.
- 1.9.4 Visitors parking is available at several commercial car parks within a couple of minutes walk, including a 2,500 vehicle park located opposite under the Telstra Dome stadium. A smaller public car park, on grade, is currently located in the western sector of the Digital Harbour precinct off Harbour Esplanade.
- 1.9.5 Customs will occupy 5½ floors of office space totalling approximately 9,945 square metres, with no charge for access to the rooftop where the communication equipment will be located. Site/location plans and a sample floor plan are attached at Annexure A.
- 1.9.6 Customs proposes to lease the new office accommodation for ten years with one five-year option and will be undertaking an integrated office fit-out. The Agreement to Lease is to specify the commencement date for the Lease and the payment of rent as 1 April 2007 or three months after practical completion of the Customs floors, whichever occurs later. The target date for the completion of the fitout for the last of the Customs floors is 5 December 2006, and it is therefore possible that Customs may undertake a staged relocation during the first quarter of calendar 2007.
- 1.9.7 The works to be undertaken include:
- Integration of services into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services. The services include building security monitoring, lighting with perimeter controlled lighting, data installation to Customs specified requirements, flexible air-conditioning zoning to enable ease of change with spare capacity for additional package units, back up power generation principally for the National Monitoring Centre and spare electrical capacity within the floor distribution boards to allow for the fitout.
  - The fit-out to meet Customs specific requirements of the premises.
  - Architecturally designed office accommodation including construction of public counter, general office areas, computer facility, meeting rooms, utilities, store, kitchens, first aid room, carers/family room, conference and training facilities.

- 1.9.8 Fit-out design and specifications meet the Disabilities Legislation requirements both in respect to access for clients and staff including wheel chair access to the building and office areas, door widths and height, lift arrangements, parking, toilets and access to counter facilities.
- 1.9.9 The fit-out will be designed to conform to the Customs “Draft National Space and Fitout Standards and Guidelines.” (“Customs Guidelines”).
- 1.9.10 The fit-out will be integrated with the construction to the maximum extent possible. The advantage of an integrated fitout is that there are cost savings of at least 5% if the base building services can be designed and constructed to suit Customs floor plans, without the need for any abortive works. This places a tight timetable on Customs to complete its floor plans by 30 September 2005, however this target date is considered realistic. The fitout will be designed to fall within the cost estimate provided by a quantity surveyor, Napier & Blakeley.

## **1.10 Environmental impact assessment**

- 1.10.1 In 2002, Digital Harbour managed and implemented a site remediation program for the southern half of the precinct (approximately 2.3 hectares), in advance of the construction of future buildings in that proximity. Generally, soil and groundwater in the Docklands area contains contaminants as a consequence of remnant gasworks wastes and dredged estuarine sediments. Contaminants occur naturally in estuarine sediments such as the Coode Island Silt present beneath the site.
- 1.10.2 Following completion of the works, the Victorian Environment Protection Agency determined that the remediation achieved Clean Up to the Extent Practicable (CUTEP) in accordance with EPA publication 759a, leading to the issue of an Auditor’s “Statement of Environmental Audit” and associated Soil and Groundwater Management Plan. The remainder of the site is yet to be remediated.
- 1.10.3 Pursuant to a requirement of the former Docklands Authority (an agency now incorporated into VicUrban), Digital Harbour prepared a Precinct Environmental Management Plan (PEMP) in February 2005. The purpose of the PEMP is to provide an overview of the environmental management and ecologically sustainable development objectives for the precinct. The PEMP sits under the umbrella of the Docklands Authority Environmental Management Plan.
- 1.10.4 Under the PEMP Digital Harbour is required to report periodically to VicUrban, outlining developments undertaken in relation to environmental management in three key areas:
- The design and documentation relating to proposed commercial buildings and associated works, in conjunction with overall environmental management of the precinct.
  - The activities associated with the construction of buildings within the precinct.
  - The ongoing management of buildings and the overall precinct post construction.

- 1.10.5 The specific topics which must be covered by the reports are as follows: groundwater, solid waste, erosion and sedimentation controls, stormwater and drainage, effluent, earthworks, landscaping, noise and vibration, air quality, contaminated soil, water quality, waste minimisation and reuse, energy conservation, flora and fauna and management and community relations.
- 1.10.6 The Digital Harbour environmental obligations are defined within the Planning and Development Controls as contained within the Melbourne Planning Scheme and a number of policies and guidelines under the authority of the Victorian Environment Protection Act (1970). The Melbourne Docklands Environmentally Sustainable Development (ESD) Design Guide designates eight principles which must be adhered to by all Docklands developers and builders:
- Conserve and protect natural resources.
  - Create long term value, by being innovative and embracing ESD excellence.
  - Maximise precinct opportunities, eg using water to cool buildings where possible.
  - Balance economic, social and environmental outcomes, eg sacrificing short term gains for long term savings.
  - Set standards, requirements and benchmarks and continually review them to meet community expectations.
  - Develop a collaborative approach and capture and communicate knowledge within the Docklands precincts.
  - Promote alternative transport opportunities, eg walking, cycling, water and public transport.
  - Create a healthy urban environment, recognising the existence of many residents in the area.
- 1.10.7 The Port 1010 Building is to incorporate a number of ESD features which go beyond the requirements for the Docklands, eg an energy rating likely to exceed the required 4.5 stars, a black water treatment program, roof mounted solar heating panels for hot water, task lighting and high specification heat reduction double glazed glass on the western facade.
- 1.11 Heritage considerations**
- 1.11.1 There are no heritage overlays relating to the site.
- 1.12 Details of organisations to be consulted**
- 1.12.1 At the time of writing the proposed tenancy of the Port 1010 Building remains subject to approval by the Minister for Finance under Regulation 10 of the Financial Management and Accountability Act.
- 1.12.2 It is Customs intention to consult with the Victorian management of AQIS at the earliest opportunity following the execution of the Heads of Agreement with Digital Harbour. It will also be appropriate to then inform Customs sub-tenants within 414 LaTrobe Street, namely AUSTRAC and the Department of Employment and Workplace Relations.
- 1.12.3 Customs has developed a Communication Strategy for internal and external consultation, details of which are provided under the heading “Consultation”, section 2.17.

- 1.12.4 Staff information sessions will be conducted during September 2005 to brief staff directly on the project and the proposed future direction and to obtain feedback from staff following the announcement of the decision. Members of the Project Team, consultants and Reference Group members will be involved in the information sessions.
- 1.12.5 External clients will be consulted through the network of current consultative forums and electronic means.
- 1.12.6 The Department of Finance and Administration was consulted during the development of this submission.

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

- 1.13.1 Although difficult to quantify, the proposal, offered to Customs to occupy the Port 1010 Building was seen by the consultant appointed to represent Customs during the negotiation as offering excellent value for money.
- 1.13.2 There is to be no charge for naming rights and no charge for the installation of the rooftop communications equipment.

## 2. **TECHNICAL INFORMATION**

### 2.1 **Location**

- 2.1.1 The Port 1010 Building is being constructed immediately to the northeast of the intersection of Harbour Esplanade and LaTrobe Street, Melbourne Docklands, in the southwest corner of the 4.4 hectare Digital Harbour precinct. The Port 1010 Building was, prior to the start of the year 2005, referred to as the Hi Tech Podium Building. The Digital Harbour precinct was created in the year 2000.

### 2.2 **Scope of work**

- 2.2.1 Customs will lease the office accommodation for ten years with one five-year option and will be undertaking an office fit-out.
- 2.2.2 The general profile of soil on the site comprises upper level fill material overlying Coode Island Silt layer, in turn overlying Moray Street Sands and Gravels of increasing density leading to bedrock at an approximate depth of around 25 to 30 metres below the existing surface levels across the site.
- 2.2.3 The presence of the Coode Island Silt layer, which is compressible by nature when 'loaded' by buildings, introduces the need for foundations that penetrate through this layer down to the bedrock material, which is extremely stable. The Moray Street Sand and Gravel layer that extends into Port Phillip Bay and throughout the general Melbourne area, is a highly charged water bearing layer, leading to the natural choice of piling as the typical structural solution for the support of buildings in Docklands that are above two or more levels in height.

- 2.2.4 The foundations for the Port 1010 Building will be similar to the adjoining Innovation Building, and utilise Continuous Flight Auger concrete piles, which are drilled and then poured into place and cured, as opposed to the use of driven precast concrete piles which, whilst structurally acceptable, have other consequences including noise related issues, timing and effects on the proximate surroundings.
- 2.2.5 For Docklands sites close to the water's edge (including the Yarra River and Victoria Harbour), the consequent high water table (approximately Reduced Level 0.0) makes the construction costs and difficulties associated with the incorporation of basements into buildings generally prohibitive. For the Port 1010 Building, the lowest floor level is at Reduced Level 2.2, with the predominant ground floor level at Reduced Level 3.0, thus avoiding the issues associated with groundwater and site retention during construction.
- 2.2.6 The precinct works include:
- (a) Base Building - Integration of services into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services. The services include building security monitoring, lighting with perimeter controlled dimming, communications interface to Customs specified requirements, flexible air-conditioning zoning to enable ease of change with spare capacity for additional package units and spare electrical capacity within the floor distribution boards.
  - (b) Wind attenuation measures – The site is subject to strong westerly winds over Victoria Harbour and strong northerly winds over exposed railway lines and open ground. Digital Harbour commissioned a wind study in early 2005, the results of which will reflect in additional tree group placements and the erection of fins, screens and canopies near the building. These measures will assist in reducing the impact of wind, however there will remain the possibility of strong gusts from the west and southwest across Victoria Harbour.
  - (c) Noise attenuation – The building is relatively unique in that it will feature open ceilings in the general office areas, apart from partitioned offices which will have traditional ceilings. This will give a spacious feel to the interior but also presents more potential for noise to be transmitted from services such as the hydraulics, the standby generator and air-conditioning. For this reason various features to minimise noise have been incorporated within the drawings and specifications for the base building. Portions of the air-conditioning ducts are acoustically lined with attenuators. The mechanical services specifications include specified sound power levels for significant items of plant. These include fans, variable volume distribution boxes and sound attenuators.

2.2.7 Tenant fit-out above base building will be undertaken to conform to the Customs Guidelines, including:

- (a) The fit-out to meet Customs specific requirements of the premises:
- i. Investigations evidence rooms;
  - ii. Computer forensic room;
  - iii. Armoury;
  - iv. Regional operations/control room;
  - v. Border technology works room; and
  - vi. National Monitoring Centre, (incorporating CCTV operations and radio communications for national purposes).
- (b) Architecturally designed office accommodation:
- Construction of a single public counter on the ground floor, including meeting rooms and a public waiting area.
  - State of the art security monitoring and control system.
  - Security accreditation point for visitors requiring access above the ground floor.
  - General office fit-out with the majority of fixed partitioning around the core of the building and open plan work areas around the perimeter of each floor close to the windows.
  - Standard workstations are 3.78 square metres (1.8 x 2.1m) configured in a right angle shape.
  - Larger workstations will be provided for Managers and staff with significant supervisory responsibilities. Hot-desking arrangements will be employed for staff in shiftwork areas. This will allow flexibility for changes in workstation configuration.
  - Enclosed offices range from approximately 25 square metres for the Regional Director to 16 square metres for other offices.
  - Computer room built to specifications including separate air-conditioning,
  - Meeting rooms on each floor of varying sizes of between 4 square metres and 20 square metres with the ability to convert two x 20 square metres rooms into one larger room. The smaller rooms allow for quiet spaces for individuals to concentrate on tasks, make conference calls with one or more people or enable supervisors to discuss performance matters in privacy.
  - Storage facilities, including personal storage at each work point and common storage on each floor. A secure file storage facility will be provided within the Records Management area. Storage for infrequently accessed items such as archived file, furniture and equipment will be outsourced.
  - Conference and training facilities, including computer training rooms to facilitate on-line learning with sound attenuation.
  - A first aid room.
  - Utilities rooms on each floor.
  - A carers/family room.
  - Kitchens on each floor.
  - Gymnasium.
  - Showers and lockers (principally for shift workers).

- 2.2.8 Corporate space will be located away from the building perimeter against the building core to enable open office planning.
- 2.2.9 The fit-out concept provides for open areas on each floor for informal gatherings or meetings away from the workplace. Breakout areas will be provided on all floors and will be furnished in a manner which will provide a feeling of separation from the general office environment. This will allow staff to have lunch in surroundings which are distinctly different to the business oriented parts of the building.
- 2.2.10 Floor plans have not been finalised at this stage.

### **2.3 Site selection and site description**

- 2.3.1 Customs commenced the building selection process via an EOI in July 2004. The selection process was fair to both new and existing buildings. There was not a preconceived preference to move to a new building. The evaluation of the short-listed buildings focussed in the first instance on the quality of the buildings, with each being appraised against factors including: utility of site, suitability of facilities, development facilitation issues and security considerations. A quality benchmark was then established with the expectation that the successful building would score above the benchmark.
- 2.3.2 A risk analysis was then conducted for each building, with elements of risk being considered, including: developer risk, construction risk, development timing risk, disruption of operations risk, loss of option risk and documentation risk. Whilst the consideration of risk adversely influenced the scoring of certain buildings, none were excluded totally on the basis of risk.
- 2.3.3 Finally, the cost aspects of the short-listed buildings were evaluated on the basis of the NPV of all projected building occupancy costs over a 10 year period. The NPV per net lettable area was then combined with the quality appraisal to form a cost/quality ratio for each building.
- 2.3.4 The development site is immediately to the northeast of the intersection of Harbour Esplanade and LaTrobe Street, Melbourne Docklands, in the southwest corner of the 4.4 hectare Digital Harbour precinct. See Annexure A.

### **2.4 Zoning and approvals**

- 2.4.1 Pursuant to the Melbourne Docklands Area Planning Provisions, the site is included within the Docklands Victoria Harbour Mixed Use Zone. This is effectively a subset of the Docklands Zone which applies to the entire Docklands area (per Clause 37.05 of the Melbourne Planning Scheme) and which was introduced with the approval of the new format Melbourne Planning Scheme in March 1999. Most developments in the Docklands do not require a planning permit, rather plans for development need to be prepared pursuant to the Docklands Area Planning Provision and approved by the Minister for Planning. However developments which exceed the height controls, such as the Port 1010 Building, do require a permit.

- 2.4.2 The planning permit for the building (SP/2005/0236) was granted by the Victorian Department of Sustainability and Environment on 31 March 2005, subject to certain conditions. The permit, under the authority of the Melbourne Planning Scheme, provides for the development of a nine storey building with associated car parking.
- 2.4.3 The conditions under which the planning permit was issued approve the commencement of excavation, piling, site preparation and retention works. The permit also stipulates that the original plans be amended in respect of the following issues prior to construction commencing: bicycle parking, loading area traffic safety, a ground floor door location, further details on external colours, materials and finishes, minor changes to the landscape plan, the development of a water sensitive urban design strategy, modifications to the handling of stormwater drainage and the storage of garbage and waste material.
- 2.4.4 Customs is advised by Digital Harbour that the necessary amendments and adjustments have been made and the revised planning permit application was lodged on 5 May 2005.
- 2.4.5 Customs will be undertaking the internal office fit-out of the premises.

## **2.5 Land acquisition**

- 2.5.1 Digital Harbour (Holdings) Pty Ltd has development rights over the 4.4 hectare ComtechPort precinct. Digital Harbour Stage 1A(1)(A) Pty Ltd (a wholly owned subsidiary of Digital Harbour (Holdings) Pty Ltd) acquired the land for the Port 1010 Building from VicUrban on 1 July 2005. The land upon which the Port 1010 Building is to be erected is 3,229 square metres, within title PS508494Q-V8, an allotment of 7,656 square metres. This allotment runs to the northeast from the corner of Harbour Esplanade and LaTrobe Street, and includes the land on which the Innovation Building is sited. Application for the subdivision of the 3,229 square metres from the original allotment of 7,656 square metres has been lodged with the Titles Office and registration of the title to 1010 LaTrobe Street is expected to be complete by October 2005.

## **2.6 Codes and standards**

- 2.6.1 All relevant provisions of the National Code of Practice for the Construction Industry, the Building Code of Australia, the Building Act 1993 (Victoria), Australian Standards and Victorian Government reference standards will be met.

## **2.7 Planning and design concepts and their basis including: structure; materials and finishes; mechanical services; hydraulic services; electrical services; and landscaping.**

- 2.7.1 The foundations for the Port 1010 Building will be similar to the adjoining Innovation Building, and utilise Continuous Flight Auger concrete piles, which are drilled and then poured into place and cured, as opposed to the use of driven precast concrete piles which, whilst structurally acceptable, have other consequences including noise related issues, timing and effects on the proximate surroundings.

2.7.2 Many of the planning and design issues are contained in the Digital Harbour response to the User Specification Brief, in planning documentation and correspondence from Digital Harbour to Customs. The following is a summary of some of the key issues:

- (a) The building will be nine storeys high with an adjoining multi-storey car park (incorporating bicycle parking) anticipated to commence within twelve to eighteen months of Customs occupying the building, (subject to tenant pre-commitment for the next commercial office building to the east). In the meantime secure parking for 64 vehicles (including bicycle parking) will be provided on grade. The overall height of the Port 1010 Building above ground level will be approximately 37.6 metres.
- (b) The typical ceiling height will be 2.7 metres in enclosed areas and 3.6 metres to the underside of the slab above in open office areas. The ground floor level will be 2.7 metres in enclosed areas and 4.7 metres in open office areas.
- (c) A 112 square metre partially sunken rooftop area will be provided for the communication equipment (microwave dishes and antennas).
- (d) The building services are designed to provide for the accommodation of not more than one person per 12.5 square metres.
- (e) Disabled toilets will be provided on each floor.
- (f) The Customs section of the communications riser will be physically secure and alarmed.
- (g) The floor will be designed to accommodate standard live loads for office buildings with areas for compactus storage, safes, an armoury and a gymnasium.
- (h) Landscape plantings in the surrounding area will consist of native trees and shrubs to ensure minimal watering requirements during summer.
- (i) The building entrance shall provide an identifiable address point containing the following:
  - Automatic entry doors complete with:-
    - sliding mechanism, activators
    - control panel
    - safety sensor
    - airlock (dual doors)
  - Directory board.
  - Recessed door mats to each area entry (min. size 1500 x 1500) without impediment to wheelchair users. Mats to be "Nuway" type or equal approved.

## 2.8 Acoustics

2.8.1 The building design will ensure optimal acoustic conditions. Noise generated by mechanical services systems and equipment shall not exceed the following values for internal areas:

- Meeting and conference rooms, NR 35; general office, NR 38; and core areas, not a part of the NLA, NR 45.
- For noise entering at the main entry doors at ground level of 50 dBA at three metres from the closed door shall not be exceeded in any ten minute period.
- Noise levels inside the tenancy area shall not exceed the maximum design sound levels recommended in AS2107.
- Plant noise release to outside of the building shall not exceed local authority requirements or levels likely to cause complaints from neighbours or the public.
- External noise levels shall not exceed 55dBA in any external location normally accessible to staff.
- Acoustic treatment to prevent external noise breaking into the building via mechanical services.

## 2.9 Energy Conservation measures – including targets

2.9.1 There are a number of energy efficient measures incorporated into the design, in order to achieve the 4.5 star Australian Green Building Rating required by VicUrban. They include:

- Glazing to comply with SAA Glass Installation Code AS 1288.
- Ventilation systems for tenant fresh air.
- High level of natural light with partitioned areas generally being against the building core.
- Large floor plates of 2,025 square metres (the ground floor is approximately 345 square metres and level 1 is approximately 1,475 square metres) and an open floor layout for flexibility.
- Provision of parking for bicycles and showers/locker room.
- Acoustic efficient levels.
- Roof insulation.
- Designated waste and recycling areas within the building.
- Hot water for the building will be largely (75%) drawn from roof-mounted solar panels. Rainwater from the rooftop will be captured and will be supplemented by black-water recycling for toilets and garden watering.
- Energy consumption will be minimised by devices which dim interior lighting when there is sufficient natural light. The standard floor lights will be 160 lux, to be supplemented by individually controlled task lighting (320 lux) for each workstation.
- The western facade of the building will be double glazed, with high performance glazing. The northern façade will also feature the use of partial concrete wall panels to minimize the demands on the air-conditioning system thus assisting in the maintenance of comfortable working conditions in summer.

- The development will feature a state of the art Building Management System, with full control provided to Customs for the floors it occupies, thus catering for the 24/7 nature of certain functional areas.

## **2.10 Master planning and site planning considerations – future developments**

- 2.10.1 The Innovation Building at Digital Harbour, comprising approximately 5,750 square metres of lettable space, was completed in May 2004 and is fully leased to a range of technology tenants including the Telstra Innovation Centre, Telstra Wireless and Mobility Group, Kodak NexPress, the Australian Film Television and Radio School and WebAlive.
- 2.10.2 The next building in the precinct, Port 1010 Building, comprising approximately 15,300 square metres, is currently under construction and has an expected completion date around December 2006/January 2007. Film Victoria and VicTrack have already committed to occupy space in the Port 1010 Building.
- 2.10.3 It is anticipated that construction of the Life.lab building to face Harbour Esplanade and immediately north of Port 1010 will commence in the last quarter of 2005 with completion anticipated around March 2007. This building will house a range of strata offices and SoHo style live/work units comprising a total sellable floor area of approximately 5,770 square metres.
- 2.10.4 Digital Harbour has been short-listed for the upcoming 10,000 square metre tenancy of a major communications firm and this, coupled with several other tenant opportunities, could see the next major commercial building with a lettable floor area in the range of 20,000 to 30,000 square metres commenced some time during 2006.
- 2.10.5 It is intended that this building, to be located on Latrobe Street east of the Port 1010 Building, will incorporate parking for approximately 500 vehicles servicing the Innovation Building, Port 1010 and this new building's tenancy requirements.
- 2.10.6 Digital Harbour have a vision to populate the entire 4.4 hectare precinct over the next 10 to 15 years with a series of technology industry clusters, bringing together research and development, education and training, small to medium enterprises and large corporations/organisations that will foster the creation of a unique community at the leading edge of innovation in Australian technology.
- 2.10.7 Most of the buildings planned for the precinct will be positioned around the outer edges of the site to allow the retention of a fully landscaped central open green. This area will be protected from prevailing winds and will form a sunny oasis for the occupants of the precinct and their visitors. A 5 level podium structure along Wurundjeri Way on the east side of the precinct will provide the bulk of the car parking for the precinct, (approximately 1,100 spaces).
- 2.10.8 At the north end of the site, following the achievement of a critical mass of workers on the precinct it is anticipated that a conference/convention facility will be constructed together with a serviced apartment/boutique hotel tower to cater for the larger gathering needs of the precinct tenants.

2.10.9 The total build out of the precinct is anticipated to provide in the order of 150,000 to 200,000 square metres of tenanted space and a daily precinct population in the order of 7,500 to 10,000. Appropriate service facilities in the form of cafes, restaurants and convenience stores will be progressively provided at the base of buildings around the central green to cater for the daily needs of the precinct occupants and their visitors.

## **2.11 Provisions for people with disabilities**

2.11.1 The building brief details a number of requirements for people with disabilities:

- Persons with disabilities shall have access to buildings occupied by the Commonwealth, without unnecessary segregation or isolation from other users.
- The building shall be designed to the latest edition of AS1428.2. The building will comply with the mandatory parts of the code under the Building Code of Australia.
- Disabled parking for the public and staff.
- A separate disabled toilet on each floor.
- Suitable access to the building.

2.11.2 Customs fit-out will be designed on the basis of the Customs Guidelines. The Customs Guidelines also make specific reference to accommodation complying with Australian Standard AS1428.

2.11.3 The base building architects and Customs interior design architect will work together to ensure requirements are met both in the base building works and internal office design.

## **2.12 Heritage issues**

2.12.1 There are no heritage overlays relating to the site.

## **2.13 Child-care provisions**

2.13.1 The Customs Family Support policy provides a commitment to enable staff with family responsibilities to be employed without discrimination, and, as far as possible without conflict with their family responsibilities. As part of that commitment Customs will establish a carers/family room in the building.

2.13.2 There are presently a number of child-care facilities in the CBD and it is understood that a commercial child-care facility is being considered within the Docklands.

## **2.14 Fire protection and security**

- 2.14.1 The building design incorporates a number of features in relation to fire protection:
- Integrated operation of the air handling plant and the building fire protection system is required to meet the current Building Code of Australia and AS1668 part 1 where applicable, and in particular Smoke Exhaust and Stairwell pressurisation.
  - The building shall be designed and constructed to meet the fire safety requirements of:
    - The relevant State Building Regulations and the Building Code of Australia and AS2118.1 for sprinkler systems.
    - AS2118.1 relating to fire protection;
    - The Melbourne Metropolitan Fire Brigade requirements;
    - The BCA for fire egress minimum travel distances;
    - AS1668.1 for fire protection in air conditioning design; and
    - The building shall be fitted with Emergency Warning and Inter Communication System installed to AS2220.
- 2.14.2 A fire safety engineering report dated 9 June 2005 certified that the standards required to be met under the BCA have been incorporated into the building design. The interior design of the Customs floors will also satisfy the performance requirements of the BCA.
- 2.14.3 Customs internal security advisers will assist with the development of the security requirements for the new building. Customs will also be engaging a security consultant to assist with design, documentation and installation.
- 2.14.4 Customs will be providing a secure access point for the building. Staff will be required to sign-in and escort visitors within Customs areas. Customs will also provide meeting rooms on the ground floor to enable staff to meet with clients or visitors who do not require access to the secure areas.

## **2.15 Occupational health and safety**

- 2.15.1 The building design contains a number of occupational health and safety requirements. Customs fit-out will be designed on the basis of the Customs Guidelines. The Customs Guidelines make specific reference to occupational health and safety issues.

## **2.16 Landscaping**

- 2.16.1 The building design details a number of requirements in relation to landscaping:
- (a) Landscaping shall be professionally designed for low maintenance and in accordance with VicUrban requirements for the precinct;
  - (b) Landscaping shall not obstruct vehicle or pedestrian visibility or movements; and
  - (c) Landscaping shall:
    - Create privacy and security;
    - Control winds;
    - Provide shade to paved areas;
    - Screen objectionable views;

- Incorporate reference to the relevant Water Sensitive Urban Design strategy for the area;
- Be able to be watered from precinct blackwater and rainwater captured from the rooftop; and
- Not include small rocks or other objects which may be used as projectiles.

2.16.2 The precinct incorporates a central village park of approximately half a hectare which will be developed progressively in line with the planned roll-out of the Digital Harbour precinct. It will provide a recreation and relaxation area for all office workers and adjoining residents, largely sheltered from prevailing winds.

## **2.17 Consultation and future management arrangements**

2.17.1 In June 2005 Customs established a Steering Committee to oversight the activities of the Project Team and to make decisions on higher level issues identified by the Project Team. It comprises the Regional Director Victoria, the Chief Financial Officer, the Regional Manager Border Intelligence, Cargo and Passengers Victoria, the Project Officer Victoria, the Director National Property Services and the Director Corporate and National Pay and Accounts Centre Victoria. A Project Control Group (“PCG”) is to be established to oversight the day-to-day planning and implementation of the project. The PCG will comprise the Customs Project Officer and representatives of Digital Harbour (Holdings) Pty Ltd and the project architectural and services consultants, Boulderstone Hornibrook and Customs project manager (yet to be appointed).

2.17.2 Customs has developed a Communication Strategy for internal and external consultation following the execution of a Heads of Agreement. Following this, all references to the project will be qualified to recognise that the proposal remains subject to the consent of the PWC. The internal consultative framework will include both formal and informal means of communication and consultation with managers, staff and the Community and Public Sector Union (“CPSU”). The Communication Strategy will include:

- Briefings for managers and staff;
- Work area involvement in the development of the requirements;
- Information sessions for staff;
- A comprehensive intranet site containing information and relevant pictures and providing staff with the opportunity to ask questions and provide feedback; and
- The establishment of a Reference Group comprising both work area representatives, CPSU representatives, an Occupational Health and Safety representative and appropriate consultants.

2.17.3 Staff information sessions will be conducted during September 2005 to brief staff directly on the project and the proposed future direction and to obtain feedback from staff. Members of the Project Team, consultants and Reference Group members will be involved in the information sessions.

- 2.17.4 It is anticipated that the concerns which will be raised by staff will centre on access to public transport, the availability of services in the vicinity, car parking, the presence of a carers/family room in the building and the availability of food. The Port 1010 Building is serviced by five tram routes immediately adjacent to the building, whilst the Southern Cross rail station is a ten-minute walk away, or alternatively, may be accessed by tram. All Melbourne metropolitan and country services may be accessed from this station. Casual or permanent car parking may be obtained directly opposite the Port 1010 Building, as there are 2,500 car parking spaces available beneath the Telstra Dome stadium. A fast food outlet exists in the adjoining Innovation Building, and there will be a café style outlet on the ground floor of the Port 1010 Building. Other food outlets and retail series are located in the adjoining New Quay precinct, several minutes walk to the west.
- 2.17.5 It is thought that a number of staff will initially feel concerned regarding the move, and it is intended that the Communication Strategy will address this by educating staff about the Docklands precinct. The Docklands is already home to some 5,000 residents and 7,000 office workers/employees. The area is continuously benefiting from the establishment of additional shops and services. It is thought that a child-care facility will be created in the precinct by the time of Customs move. The Port 1010 Building is serviced by trams into the CBD every couple of minutes in peak hours and as such offers easy access to Melbourne's main retail/services area and to the offices of key stakeholders
- 2.17.6 External clients will be consulted through the network of current consultative forums and electronic means.

## **2.18 Local impact eg employment**

- 2.18.1 The move of Customs to the site will constitute a significant boost to the establishment of the Digital Harbour precinct and the Docklands in general. The move of Customs to the precinct may encourage other organisations to do so, and will promote the development of the Docklands infra-structure, thus assisting businesses already established. A similar number of officers to those who use public transport at present are expected to continue to utilise the public transport system (primarily tram and rail) in commuting to the site. With the close proximity of cycling paths it is anticipated that more staff will travel by bicycle to the new site. There is a real potential for an increase in trade for nearby retail businesses at New Quay, and when opened in 2007, Waterfront City, (a retailing precinct 500 metres to the west). It is also anticipated that there will be the potential for additional employment as a result of the construction of the building, internal fit-out and manufacture of workstations.

## **2.19 Project costs**

- 2.19.1 Customs will lease the office accommodation for ten years with one five-year option and will be undertaking an office fit-out. The fit-out costs will be funded from Customs Budget appropriations over the 2006/07 financial year.

- 2.19.2 Customs has not yet finalised the floor plans and it is not therefore possible to accurately assess the fitout costs. However a quantity surveyor having made certain assumptions about the specification of Customs fitout, has estimated that fully integrated fitout costs would amount to \$12,507,000 (including GST).
- 2.19.3 It should be noted that some of the items included in this budget estimate include costs for items which may be reused from the current tenancy, including: whitegoods; gymnasium equipment and some items of loose furniture, eg document safes. There are no items of photographic equipment included in the fit-out works. It should be noted that this budget also includes costs for loose furniture items such as chairs, tables, mobile storage units and lockers.
- 2.19.4 Whilst the design has not been finalised for the fit out, the cost is considered by Customs, Napier & Blakeley and Rider Hunt, quantity surveyors acting for Digital Harbour, to represent an achievable end cost. To the maximum extent possible the design will be developed to the cost plan using this rate rather than the design being costed after it has been completed. This will further support the end cost being within the stated budget.
- 2.19.5 With the ongoing involvement of a quantity surveyor throughout the detailed design development stage the likelihood of the tender being over budget is further reduced.
- 2.19.6 With the implementation of these controls there is confidence in the procurement and delivery systems that the end result will be within budget.

## **2.20 Project delivery system**

- 2.20.1 Customs will lease the office accommodation for ten years with one five-year option, commencing from 1 April 2007 or three months after practical completion, whichever is the latter.
- 2.20.2 Fitout of the building will, to the maximum extent possible, be integrated with the base build construction.

## **2.21 Construction program**

- 2.21.1 Construction of the building began in June 2005 and is programmed for completion in December 2006. Customs anticipates occupying the building progressively throughout March and April 2007.