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**Services
Australia**

Proposed Fit-out of Leased Premises at 90 Crown Street, Wollongong, New South Wales

Services Australia

1.0 Public Submission

to the Parliamentary Works Committee

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1 Executive Summary

- 1.1.1 Services Australia (the Agency) is responsible for the delivery of advice and high-quality, accessible social, health and child support services and payments. The Agency is the front line of the Australian Government for many Australians, and it strives to provide services that are simple, helpful, respectful and transparent.
- 1.1.2 The Agency manages a diverse property portfolio and is the largest Commonwealth consumer of office space when measured by useable Net Lettable Area (NLA). The Agency is seeking to consolidate existing sites in the Illawarra region of New South Wales, to deliver operational and financial efficiencies. The consolidation activity will not impact customer facing services.
- 1.1.3 The Agency currently leases approximately 12,965m² of NLA in the Illawarra region across 5 sites. 3 of these sites comprise both customer facing and non-customer facing operations. It is expected that the 3 existing Service Centres will be “right sized” in accordance with the Agency’s Face to Face Transformation Program. If any Service Centre is unable to be “right sized”, the Agency can implement a “hub and spoke” model to utilise the space.
- 1.1.4 The Commonwealth’s Property Services Provider, Jones Lang LaSalle Incorporated (JLL), on behalf of the Agency, commenced an Approach to Market (ATM) within the Illawarra region in July 2023. The ATM resulted in 90 Crown Street Wollongong being selected as the successful proponent.
- 1.1.5 A Cost Benefit Analysis (CBA) established the fit-out of the lease at 90 Crown Street Wollongong and the relocation of non-customer facing staff from the existing sites in the Illawarra region represented the best value for money proposal. This approach allows the Agency to consolidate non-customer facing staff into a single building, known as the Illawarra Precinct Project (the Project).
- 1.1.6 On 23 August 2024, the Secretary of the Department of Finance (Finance), Jenny Wilkinson, advised that the Minister for Finance, Senator the Hon Katy Gallagher, had endorsed the Agency entering a new initial 10-year lease.
- 1.1.7 The Landlord will be responsible for upgrading base building amenity spaces in accordance with the lease. The Agency will be responsible for completing the fit-out, to an estimated project cost of \$22.34 million (excluding GST). A summary of key facts is detailed in Table 1.

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Table 1: Key Facts

	Current	Proposed
Buildings	5	4
Net Lettable Area at Crown St	3,768m ²	7,890m ²
Net Lettable Area at Other Sites ¹	9,197m ²	3,354m ²
Net Lettable Area Total	12,965m ²	11,244m ²
Non-Customer Facing Staff at Crown St	330	826
Non-Customer Facing Staff at Other Sites	496	0
Work Points ²	914	628
Estimated Project Cost (excluding GST)	\$0	\$22.34m
Expected Life	0 to 3 years	10+3+3 years

- 1.1.8 The above table captures the non-customer facing staff who are subject to the relocation to 90 Crown Street. There are currently 11 customer facing staff at 41-43 Baan Baan St and 23 customer facing staff at 43 Burelli St, and 23 customer facing staff at Shellharbour who will be remaining at the 3 sites

2 Purpose of the Works

2.1 Purpose

- 2.1.1 The Agency proposes to undertake fit-out works at 90 Crown Street, Wollongong. This will provide fit-for-purpose office space and consolidate the Agency's non-customer facing staff in the Illawarra region into one site by 2027. This proposal is in accordance with the Commonwealth Leasing Strategy.

2.2 Key Objectives

- 2.2.1 The key objectives of the Project are the realisation of several business efficiencies, including:
- A fit-for-purpose property solution,
 - A more efficient occupancy work point density,
 - Improving energy efficiency by reducing emissions and supporting the Australian Governments Net Zero in Government Operations (NZGO) Strategy,

¹ The customer facing front of house areas (Service Centres) at Shellharbour, Baan Baan St and Burelli St sites will be retained.

² Work Points for non-customer facing staff only.

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- A transition to a working environment capable of scaling and an ability to respond to surge, and
- Increased staff collaboration through efficient allocation and utilisation of workspace and resources.

3 The Need for the Works

3.1 Entity Operations

3.1.1 The Agency has the second largest property portfolio in the Commonwealth after the Department of Defence. This submission only addresses the sites in the Illawarra region:

- 90 Crown St, Wollongong.
- 44-52 Princes Highway, Dapto.
- 43 Burelli St, Wollongong (includes a Service Centre).
- 41 Baan Baan St, Dapto (includes a Service Centre).
- Lake Entrance Shellharbour (includes a Service Centre).

3.1.2 The Agency has a large staff presence in the Illawarra region in support of the Australian Government. These teams support the wider Agency who are situated around Australia at face-to-face sites, smart centres, support and processing sites and occasional pop-up facilities.

3.1.3 To continue to provide high quality Government services from the Illawarra region, the Agency proposes to deliver a fit-for-purpose solution that will:

- Meet Commonwealth occupational density targets and maximise the efficient use of space,
- Provide office accommodation that supports organisational agility and flexibility and promotes staff wellbeing,
- Provide an improved workplace with modern facilities and enhanced technology, and
- Provide a value for money outcome for the Commonwealth.

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3.2 Policy and Operational Requirements

- 3.2.1 The need to consider future accommodation was initiated in response to the expiration of the Agency's leases. The CBA confirmed that consolidation of the existing leases (including the "right size" of the Service Centres) was the best option to meet the Agency's needs for office accommodation in the Illawarra region.
- 3.2.2 The Commonwealth Leasing Strategy includes the option for consolidation of the Agency leases, providing:
- Benefits through streamlining the portfolio and allowing for improved staff collaboration,
 - Greater value for money by leveraging the Agency's purchasing power for larger space, and
 - Quality and fit-for-purpose office accommodation that aligns with the NZGO strategy.
- 3.2.3 The lease consolidation will not impact customer facing services and will not reduce Agency jobs.

3.3 Existing Leased Sites

- 3.3.1 Details of the Agency's existing leased site in the Illawarra region are summarised in Table 2.

Table 2: Existing Leased Sites

Address	NLA (m ²)	No. of Parking Spaces	No. Total Staff ³	Annual Gross Rental	Current Lease Expiry	Extension Options
90 Crown St Wollongong	3,768	8	330	\$1,628,119	31 August 2025	2 x 5
44-52 Princes Highway Dapto	1,364	6	111	\$538,779	30 June 2028	Nil
43 Burelli St Wollongong (includes Service Centre)	4,916	11	284	\$2,661,542	Service Centre: 30 June 2034 Back of House: 30 June 2028	2 x 3 Nil
41 Baan Baan St Dapto (includes Service Centre)	1,579	35	74	\$775,836	Service Centre: 21 March 2035 Back of House: 20 March 2026	2 x 4 Nil
Shellharbour Lakes Entrance (includes Service Centre)	1,338	3	27	\$579,943	07 June 2028	Nil
	13,019	63	826			

³ Staff numbers do not include the 57 customer facing staff across the three Service Centres

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- 3.3.2 90 Crown St Wollongong is an existing 7 storey building built in 1988 and occupied by the Agency in 2016. The Agency currently occupies 3 storeys of the building. The remaining 3 floors were occupied by the NSW Government, who have since vacated. The existing Agency fit-out is aging and requires replacement. From a technology, collaboration, serviceability and flexibility perspective it is not consistent with a modern workplace.
- 3.3.3 44-52 Princes Highway Dapto is a single storey retail and commercial complex within which the Agency occupies a single tenancy. There is no customer facing services at this site. The existing fit-out is not consistent with Commonwealth standards and would require a full uplift should the Agency retain the tenancy.
- 3.3.4 43 Burelli St Wollongong is a 5-storey building with commercial space. The Agency has tenancies across the ground floor, level 1, 4 and 5. The Service Centre is located on the ground floor. The existing fit-outs range in age and are not consistent with a contemporary workplace. The Service Centre is identified for transformation in accordance with the Agency's transformation program.
- 3.3.5 41 Baan Baan St Dapto is a two-storey commercial office which was first occupied by the Agency in 2007 (with full occupation by 2009). The Agency is the sole tenant of the building. The Service Centre is located on the ground floor and is not subject to the Project. Non-customer facing staff occupy Level One and will be relocated as part of the Project. The building fit-out is aging and has not undergone an upgrade since it was occupied in 2009.
- 3.3.6 Shellharbour, Lakes Entrance is a tenancy based in the Stockland Shellharbour Shopping Centre first occupied by the Agency in 2008. Situated on the ground floor facing into an open square. The Service Centre is programmed for Transformation in accordance with the Agency's transformation program.
- 3.3.7 The main deficiencies of the existing leased sites are summarised below:
- The existing fit-outs are aging and at the end of their economic life.
 - The sites do not achieve the occupancy density target outlined in RMG500⁴,

⁴ RMG 500 is the Commonwealth Property Management Framework which establishes a foundation for achieving value for money and promotes efficient, effective, economical and ethical management of leased Commonwealth property in Australia

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- Separation of the Agency staff across multiple sites creates operational and functional inefficiencies, together with increased operating costs and security risks.

3.3.8 Due to most of the leases in Table 2 expiring in June 2025, the Agency has sought to exercise the available options. Table 2 reflects the revised expiry dates following the exercise of these options. The option periods will provide time for the Agency and Landlord to undertake the works required before staff can consolidate into the Crown Street site.

3.3.9 The proposed fit-out will ensure the expanded Crown Street site meets the Agency's requirements. This will negate the need to hold leases at the other locations beyond extension period noted above. The Agency staff will progressively relocate following the completion of the project.

4 Options Considered

4.1.0 3 options were considered:

- Renew existing leases (status quo),
- Occupy other existing Commonwealth leased/owned properties, and
- Consolidate into one building.

4.2 Renew Existing Leases (Status Quo)

4.2.1 The Agency has had to exercise the last remaining 3-year option for each of the leases to provide time for the Project to be completed. There are no lease options available requiring the Agency to either renegotiate new lease terms or seek alternate accommodation options.

4.2.2 This option is not recommended as the Agency has determined maintaining four separate leases is inefficient and costly. It would require significant investment to provide working accommodation and existing amenities that meet current policy and operational standards. Furthermore, this option does not address the inefficiencies in business operations by having staff geographically dislocated across four sites.

4.3 Existing Commonwealth Leases or Owned Properties

The Agency, as part of the Whole of Government Property Services Coordinated Procurement Arrangements, has consulted with Finance regarding other suitable

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accommodation held by the Commonwealth. Due to the space required, combined with the need for the Agency to maintain a presence within the Illawarra region, no suitable existing Commonwealth space was identified.

4.4 Consolidate into One Building (Preferred)

- 4.4.1 This option provides the Agency an opportunity to yield significant savings through a reduction in leased office space by providing a consolidated, fit-for-purpose, agile, hybrid working environment. This option is recommended as the only viable option considering the lease expiry timeline.
- 4.4.2 This option will provide a flexible and modern workplace environment that is capable of scaling and with an ability to respond to surge requirements. There will be no change to the current workforce strength and no change to customer facing services.
- 4.4.3 In accordance with the Whole of Government Property Services Coordinated Procurement Arrangements, the Agency engaged JLL to assist with the ATM. The Illawarra ATM was published on AusTender. The AusTender publication directed all potential interested parties to TenderLink for all related communications. Simultaneously, JLL advertised the ATM on TenderLink.
- 4.4.4 In July 2023, the Expression of Interest (EOI) opened. The EOI closed on 11 August 2023. 6 submissions were received by the closing date. The Evaluation Team undertook a desktop assessment of the EOI responses. On 30 August 2023, the Evaluation Team recommended 5 of the sites be shortlisted to the next stage in the process, including a site inspection and risk assessment.
- 4.4.5 The Evaluation Team further shortlisted the submissions to 3. The risk assessment identified the new development sites posed a significant risk to the project timeline. The following 3 sites were invited to progress to detailed analysis:
- 90 Crown Street Wollongong
 - 101 Crown Street Wollongong
 - 43 Burelli Street Wollongong
- 4.4.6 In September 2023, shortlisted parties were issued the RFP documents with a closing date of 26 October 2023. The response from 101 Crown Street Wollongong was immediately eliminated due to its non-compliance with the NLA requirements of the RFP. The submission provided an NLA of 4,159m² rather than 7,500m².

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4.4.7 In considering and comparing the remaining responses the following criteria was assessed:

- Building
- Tenancy
- Location
- Financial Performance
- Environmental Performance
- Timing

4.4.8 The Evaluation Team found that both proposals met all criteria. 90 Crown Street, Wollongong was selected as the preferred site as its overall rating was higher, offering the best value for money for the Commonwealth.

4.4.9 On 23rd August 2024, the Finance Secretary, Jenny Wilkinson, advised that the Minister for Finance, Senator the Hon Katy Gallagher, noted *“that the proposal meets the intention and requirements of Resource Management Guide No 500: Commonwealth Property Management Framework and endorsed the proposed lease.”* The proposal was seeking endorsement for the Agency to enter a new initial 10-year lease for Crown Street.

5 Scope of Works

5.1 Building Summary

5.1.1 The site at 90 Crown Street is an existing 7 storey building with two basement carparking floors. The ground floor is occupied by retail space. The remaining 6 levels comprise office accommodation. The agency will lease 7,890m² of NLA.

5.1.2 The Agency will engage a Head Contractor to manage the fit-out works. The fit-out will be consistent with Commonwealth requirements. The Agency will be the sole tenant of the 6 levels of office space. Works associated with the basement and shared amenities are not included in the scope.

5.1.3 The space dedicated to the Agency includes the following:

- Upper Floors (Levels 1 to 6):
 - Office accommodation.

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- 5.1.4 A detailed concept fit-out plan of a typical floor is provided at Annexure A. Currently the design is at 90% and still being refined.
- 5.1.5 An NLA of 7,890m² was determined as meeting the Agency's Illawarra office accommodation requirement for non-customer facing staff. The Project will achieve approximately a 13% reduction in NLA in the Illawarra region. This will provide the Agency with 628 work points.
- 5.1.6 The Landlord will be undertaking the following works in accordance with the lease agreement:
- Makegood levels 4 to 6 and provide the floors in a refurbished warm shell,
 - Recarpet, repaint and install new ceiling grids and tiles for levels 1 to 3,
 - Provide End-of-Trip facilities in the basement,
 - Upgrade toilet facilities on every floor,
 - Install a photovoltaic solar system to benefit the base build,
 - Replace gas heating with electric heating for the building by 2040,
 - Replace the current HVAC building systems, including but not limited to:
 - Chilled water systems,
 - Air handling units,
 - Cooling tower(s),
 - Pumps, and
 - Building maintenance systems.
 - Install Fire Protection Services, including but not limited to separation between tenancies, automatic alarm system, fire extinguisher, exit and emergency lights, warning system, fire alarm bells and emergency strobes,
 - Install Energy efficient LED throughout the building,
 - Remodel and modernise the building foyer, and
 - Install 5 x 22kw 3-phase EV chargers with sub-metering for each individual charger and OCPP1.6 compatible (software compliant) chargers.

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- 5.1.7 The Landlord has provided the Agency with a 15% incentive which the Agency can elect to take as a contribution towards the fit-out or rent abatement. If applied as rent abatement, it will be applied in equally monthly amounts over the initial term.

5.2 Location

- 5.2.1 90 Crown Street is located in the centre of the Wollongong Central Business District on the corner of Crown and Kembla Streets, Wollongong. Access is via Crown Street and the rear carpark from Coombe Street. Pedestrian access is from the main entrance on the corner of Crown and Kembla Streets, as shown on the site location plan at Annexure B.
- 5.2.2 90 Crown Street is located within:
- One kilometre of Wollongong Train Station,
 - 350 metres from Wollongong Central shopping complex which contains a range of food and retail outlets for staff, and
 - Close proximity to multiple public parking facilities.

5.3 Land Acquisition

- 5.3.1 90 Crown Street is an existing building. The Project does not propose any land acquisition by the Commonwealth. It is not expected to require any changes in zoning or development applications by the Agency to undertake the proposed Works.

5.4 Fit-out Summary

- 5.4.1 The proposed Project fit-out works will encompass:
- A new tenant fit-out to align with the Agency's strategy to support flexible working with a minimum 8:10 desk-to-staff ratio based on business requirements,
 - Office accommodation including partitioning for individual offices, meeting and conference rooms, utility and storerooms, training rooms, break-out spaces, staff amenities and communication equipment rooms,
 - Loose furniture and workstations. Workstations to include power and data reticulated in the workstation screens in addition to wireless technology to support mobility and the use of portable devices,
 - The number of workstations will allow for 8 desks per 10 staff members (with the flexibility to shift the ratio based on business requirements),

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- Compliance with the Disability Discrimination Act especially in relation to accessing office floors, workstations and meeting rooms,
- Personal lockers allocated to each staff member assigned to the building. This will provide for future flexibility in alignment with the Agency's need to surge in response to national events or emergencies,
- the provision of ergonomic spaces such as collaboration spaces, meeting rooms and training rooms. This provides surge capability should additional staff need to attend the office,
- Storage to support the Agency's need to store operational assets such as computers, files (small quantity), paper, hand sanitiser, and other operational items,
- A central core area is located on each floor in the building (Levels one to six) where lifts, plant rooms, fire stairs, and toilet facilities are located,
- An open office layout and equitable access to natural light. This will be achieved by placing offices and meeting rooms away from the perimeter, enabling maximum efficiency,
- The use of wireless data connectivity (Wi-Fi), supporting mobility and the use of wireless devices,
- Audio Visual equipment to support the Agency's Audio-Visual requirements, and
- An access control solution.

5.5 Planning and Design Concepts

- 5.5.1 There is an office available for Senior Executive staff who will visit Illawarra with all other staff seated at work points configured in an open plan layout. The work points are proposed to be congregated in neighbourhoods (zones) assigned to the Divisions occupying the building. To support the open plan office flexible workspace configuration, there are multiple meeting and coaching rooms of varying size to facilitate meetings and private or confidential discussions. The design of the meeting rooms also allows for them to be easily converted to SES offices if required.
- 5.5.2 Flexible workspace configurations offer numerous benefits that enhance both productivity and employee well-being. By allowing individuals to have choice in their preferred work environment such as smaller meeting rooms/quiet rooms for focused

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tasks or a collaborative area for teamwork can boost creativity and job satisfaction. Flexibility also accommodates diverse work styles and personal needs.

5.6 Materials and Finishes

5.6.1 Materials and finishes proposed for use in the fit-out will be selected for low environmental impact, appearance, durability, functionality and ease of maintenance and cleaning while providing a suitable work environment for staff. Typical materials and finishes will include:

- Glass for office and meeting room partitions,
- Plasterboard painted with washable acrylic paint,
- Fabric panels on workstation screens,
- Timber veneer or laminate finishes to workstations and meeting tables,
- Feature colours on selected painted walls and plasterboard,
- Feature ceilings in key areas, and Where possible, the design team will implement the use of recycled materials in the fit-out.

5.7 Environment, Heritage and Sustainability

5.7.1 The proposed fit-out will be designed, constructed, operated and maintained to minimise the use of energy and water as much as possible and comply with the following statutory requirements:

- Energy efficiency requirements of the National Construction Code (Volume 1, Section J), and
- NZGO Strategy.

5.7.2 90 Crown Street will target to achieve a 5.5-star National Australian Built Environment Rating System (NABERS) in accordance with Commonwealth energy guidelines. The landlord is continuing to improve the site's energy efficiency rating and proposes to install:

- a rooftop solar photovoltaic system to offset electricity consumption,
- Upgrade of lighting to energy efficient LED
- replace gas heating with electric heating by 2040, and

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- Electric vehicle chargers.

5.7.3 The principles of Environmentally Sustainable Design have been adopted in the design of the proposed fit-out Works as follows:

- Recycling of construction waste,
- Detailed building tuning and commissioning to ensure efficient building operation,
- Use of paints, flooring, carpets, adhesives and sealants with low Volatile Organic Compound emissions,
- Inclusion of engineered timber products with low or zero formaldehyde emissions,
- Selection of environmentally certified products,
- Use of thermal insulation and refrigerant products with zero Ozone Depletion Potential,
- Use of water efficient fixtures and appliances,
- Lighting controls with time clocks, motion sensors and daylight sensors to minimise wasted energy, and energy efficient lighting design including consideration of LED lighting options,
- Achieve the Commonwealth minimum energy efficiency target of a 5.5-star NABERS rating for the fit-out,
- Incorporate installation of energy efficient light fittings and an intelligent lighting control system which includes ambient light level detection devices for daylight sensing and motion detectors for after-hours lighting control,
- Deliver a fit-out density which will assist the Agency in reducing its carbon footprint.
- Maximise the use of environmentally sustainable and recyclable materials, wherever practical, and
- Items installed as part of the fit-out shall achieve the required water efficiency standards.

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5.7.4 The fit-out will also target a 5.5-star energy rating in accordance with Commonwealth guidelines. This will be achieved through the following:

- Modifying the lighting control systems throughout the tenancy ensuring lights are switched off when not in use,
- Purchasing of energy efficient white goods and office machines, and
- Ensuring personal computers are switched off when not in use.

5.7.5 There are no heritage issues in relation to this site.

5.8 Car Parking provisions

5.8.1 There is no change to the parking provision at 90 Crown Street and 8 parking spaces will be retained to accommodate the Agency's fleet vehicles, visitor parking, and dedicated parking for SES employees. The available parking will also provide accessibility requirements for staff.

5.8.2 The Agency's fleet vehicles are transitioning to electric vehicles. The Landlord will install 5 new charging points to support electrical vehicles as part of base building upgrade works.

5.9 Accessibility

5.9.1 As part of the new lease arrangements, the Landlord will be upgrading the base building with the following provisions for people with disabilities:

- 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 NCC, and
- Provide suitable access throughout each of the tenancy spaces for people with disabilities including wheelchair access.

5.9.2 The fit-out will be designed to Disability Discrimination Act requirements and standards.

5.10 Child-care provisions

5.10.1 No on-site childcare facilities are proposed. However, there are available facilities within a two-kilometre radius of 90 Crown Street. In addition, the majority of the staff are staying in the Wollongong area which means any current child-care arrangements made by staff can remain unchanged.

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5.11 Lift Provisions

- 5.11.1 The building comprises one lift core with 3 lift cars. Two of the lift cars connect the basement to the top floor. The other car terminates on the ground floor. In 2022, the Landlord upgraded the lifts.

5.12 Security Provisions

- 5.12.1 The proposed physical security arrangements for 90 Crown Street will meet the Agency's security requirements in accordance with the Australian Government's Protective Security Policy Framework (PSPF). The physical security design will include:
- The Tenancy perimeter will be constructed to a Zone 2 and
 - Individual physical security control elements will include:
 - An integrated Security Alarm System,
 - Building Electronic Access Control Systems, and
 - Closed-circuit television.

5.13 Fire Protection

- 5.13.1 The building fire systems were designed and installed in accordance with the Building Code of Australia and Australian Standards in force at the time of original building design. Where required fire systems will be upgraded as part of the Landlord's Base Building upgrades. Modifications to the fire system include augmentation and adjustments to:
- Automatic alarm system, fire alarm bells and emergency strobes,
 - Battery operated self-contained emergency lights and exit signs,
 - Emergency Warning and Intercommunication System,
 - Fire Extinguishers and fire blankets, and
 - Internal fire hose reel system.

5.14 Hydraulic Services

- 5.14.1 Any Hydraulic Engineering Service for the fit-out will be in accordance with requirements of the National Plumbing Code AS/NZS 3500 and may include:
- Potable water supply to tea points, breakout spaces and the like,

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- Sewer drainage and sanitary plumbing, and
- Water efficient tapware and devices.

5.15 Electrical and Communications Services

- 5.15.1 The electrical installation will include electrical distribution to socket outlets, lighting and special purpose power in compliance with National Construction Code AS/NZS 3000.
- 5.15.2 The base building automated lighting control system will be integrated into the fit-out where required to suit the revised tenancy layout.
- 5.15.3 Category 6a data cabling will be used throughout the building to support the Agency's ICT solution.

5.16 Mechanical Services

- 5.16.1 Landlord will upgrade the current mechanical system to the current Australian Standards and NCC requirements, including but not limited to:
 - Chilled water systems,
 - Air handling units,
 - Cooling tower(s),
 - Pumps, and
 - Building Management Systems.
- 5.16.2 The mechanical engineering service systems modified as part of the fit-out will be designed integrating the design of base building systems.

5.17 Acoustics

- 5.17.1 The existing building design incorporates measures to reduce noise in the work environment including acoustic ceiling tiles and carpeted floors. Any changes or augmentation undertaken as part of the fit-out will consider impacts on acoustics and noise.
- 5.17.2 Acoustic performance criteria have been incorporated into the fit-out design to ensure adequate noise insulation between offices, meeting rooms, conference rooms, training rooms and other workspaces. Design criteria and building performance for ambient noise ratings shall be in accordance with the requirements of Australian Standard AS2107.

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5.18 Details of Applicable codes and standards

- 5.18.1 The fit-out will comply with all statutory requirements including the National Construction Code, Australian Standards, and the Agency and Commonwealth requirements for ICT and Security. The Agency will ensure that all relevant codes and standards are included in the design and building briefs.

5.19 Building Certification

- 5.19.1 An accredited independent Building Certifier will be engaged to certify compliance of all Works.

5.20 Work Health and Safety

- 5.20.1 In accordance with the requirements of the *Work Health and Safety Act 2011*, the design phase for the fit-out will include Safety in Design Workshops. These workshops will review the design with a view to identifying any risks associated with safety during the construction phase and safety during the operational phase.
- 5.20.2 The Agency's Project Manager/Contract Administrator (PMCA) has an obligation to monitor the construction contractor's compliance with WHS requirements.

6 Other Considerations

6.1 Impact on the local community

- 6.1.1 The Project is expected to have a positive, short-term effect on the local economy. Short-term positive impacts include:
- Creation of jobs during fit-out, (consultants, construction workers, suppliers and related services),
 - Use of locally sourced materials during construction, and
 - Uplift in local services business (cafés and the like) adjacent to 90 Crown Street to support the temporary construction workforce.
- 6.1.2 The Commonwealth Property Management Framework notes that Finance will determine if a potential move may adversely affect a local economy, transport and logistics infrastructure or give rise to adverse social and community effects.
- 6.1.3 The CBA endorsed by Finance noted that a local impact assessment has not been undertaken as the proposed lease endorsement is largely within the same locality as

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defined by the Australian Bureau of Statistics SA2 area calculations. The exception to this is the proposed relocation of staff from Dapto. However, the workforce proposed to be moved represents less than 10 percent of the local workforce in its current SA2 locality. Therefore, a local impact assessment was not deemed as necessary for the relocation of staff from Dapto.

6.2 Staff Consultation

6.2.1 Formal staff consultation has commenced and is expected to continue as design development progresses. Staff consultation will further inform the fit-out design.

- The provision of a fit-for-purpose design that meets the operational needs of staff
- Information sessions regarding the use of unallocated workspaces across the precinct, and
- What the proposal means for them

6.3 External Consultation

6.3.1 The Agency will engage with the Community and Public Sector Union as part of its activities on the Project.

6.3.2 the following external agencies and business have been consulted to date:

- Finance,
- JLL,
- Conscia,
- Knight Frank,
- DJAS Architecture Pty Ltd,
- Lehr Consultants International,
- Forcefield Services,
- Steve Watson & Partners,
- Eric Martin & Associates, and
- Turner & Townsend.

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7 Cost Effectiveness and Public Value

7.1 Works Delivery Strategy

7.1.1 The Agency will be responsible for procurement of its own head construction contractor to deliver the fit-out Works. The Agency has appointed a PMCA, Conscia Pty Ltd, to manage the planning and delivery of the proposed fit-out works. The Agency has also established a Design Services Consultant Team. This is a multidisciplinary team to progress the design documentation, inclusive of cost estimates. The team includes:

- Interior Design (DJAS Architects),
- Engineering and fire services (LCI),
- Quantity surveyor (Turner and Townsend),
- Building certifier, and
- Security Consultant (Forcefield).

7.2 Works Cost Estimate

7.2.1 The estimated project budget is \$22.34 million (excluding GST) and includes contingency, project management, design and documentation and escalation to 2027. The current cost estimate is based on the Agency undertaking a Head Contractor delivery approach. The cost estimate was prepared by the Agency's quantity surveyor, based on the 90% Detailed Design produced by the Agency's lead consultant DJAS Architecture.

7.2.2 Funding for the lease and fit-out of 90 Crown Street will be from the Agency's approved property operating expenses, capital budgets and incentive contributions received from the landlord.

7.2.3 The Agency has confirmed that the scope of works is within the project budget and meets operational requirements. A breakdown of the project cost is detailed in Confidential Cost Estimate.

7.3 Value for Money Assessment

7.3.1 In assessing the options available, the Agency undertook analysis of all the options. The CBA included whole-of-life cost analysis, and a risk assessment of all the options. It determined that the proposed fit-out of 90 Crown Street provides the best value for money accommodation solution. Under this scenario, the Agency would reduce its

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overall leased NLA within the Illawarra region by 1,642m² through the consolidation and transition to a flexible workplace.

- 7.3.2 The CBA provided to Finance and the Commonwealth Strategic Property Advisor examined the economic feasibility of the proposal and confirmed that it provides the best value for money solution.

7.4 Program

- 7.4.1 The key milestones of the Works are:

Table 3: Construction Program

Activity	Indicative Date
Approach to Market for Head Contractor	November 2025*
Award Head Contractor	February 2026
Commence Construction – Levels 4 to 6	February 2026
Complete Construction – Levels 4 to 6	June 2026
Relocate Staff from Levels 1 to 3 to Levels 4 to 6	July 26
Landlord Works of Levels 1 to 3	Aug to Nov 26
Commence Construction – Levels 1 to 3	December 2026
Complete Construction – Levels 1 to 3	March 2027

*subject to expediency

- 7.4.2 The program is subject to the passing of an Expediency Motion by November 2025. The fit-out will be completed as a staged delivery with construction to be completed by March 2027.

7.5 Revenue

- 7.5.1 There is no expected revenue from the Project.

7.6 Public Value

- 7.6.1 The public value associated with the Project includes:
- The improvement in operational efficiencies derived from co-location of Illawarra based Agency staff into one building,
 - Value for money associated with improved leasing costs across the Illawarra property portfolio,
 - Improved Ecologically Sustainable Development outcomes associated with modern and efficient building fit-out design and engineering systems, and

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- Efficiencies associated with higher density of operations and a reduction in the overall footprint of the Agency's operations in the Illawarra.

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8 Annexures

8.1 Generic Office Floor Plan – Level Two



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8.2 Generic Office Floor Plan – Level Six



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8.3 Site Location Plan

90 CROWN ST, WOLLONGONG, NSW 2500

LOCATION PLAN



NOT TO SCALE
SOURCE: GOOGLE

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