

## Issues and Conclusions

### Lease Arrangements

3.1 DAFF proposes to lease the entire premises at 18 Marcus Clarke Street, with overflow of office space into the adjacent NICTA building. Both leases will commence on completion of the buildings in October 2007.<sup>1</sup> At the public hearing, the Committee sought confirmation that the tenancy of overflow space in the NICTA building was necessary in addition to 18 Marcus Clarke Street.

3.2 DAFF assured the Committee that tenancy of both buildings would be both cost effective and beneficial for staff amenity. It added that:

We [DAFF] have engineered ourselves into a situation where once we have a much more detailed idea of the fit-out of Marcus Clarke we can, if necessary, hand back one floor...we have kept all options open and we have done that without any financial penalty.<sup>2</sup>

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1 Appendix C, Submission No. 1, paragraphs 1.5.1, 1.5.7 and 1.5.9

2 Appendix D, Official Transcript of Evidence, page 10

## Lease Expiry

3.3 DAFF's existing lease on the EBB expires on 28 February 2007, with a proposed date of October 2007 for occupation and lease commencement of the new building.<sup>3</sup> The Committee enquired how DAFF proposes to manage the proposed relocation given that its current lease will expire approximately seven months prior to the completion of the new building.

3.4 DAFF submitted that it is currently,

...negotiating with the building owner, Stockland, to see if we [DAFF] can reach a mutually acceptable, short-term extension that would allow us to stay until the new building is ready.<sup>4</sup>

In the event that an agreement with the building owner can not be reached, DAFF has contingencies that would involve moving the Department to an interim location prior to completion of the new building. DAFF stated that it would prefer to avoid moving twice, as this would increase disruption to its staff and clients, and assured the Committee that such potential risks have been factored into project costings.<sup>5</sup>

## Cost Control Committee

3.5 DAFF submitted that a Project Cost Control Committee (CCC) is responsible for overseeing aspects of the relocation project including strategic direction, goal and priority setting, and making recommendations to the DAFF executive management team.<sup>6</sup> The Committee asked for further information about the role of the CCC.

3.6 DAFF explained that the CCC is chaired by DAFF's Chief Operating Officer, and also includes the Chief Information Officer and the Chief Financial Officer. Advice is also sought from a representative from the Australian Quarantine Inspection Service, which is the largest unit within DAFF.<sup>7</sup> Details of the CCC's operations were also discussed during the confidential briefing.

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3 Appendix C, Submission No. 1, paragraphs 1.3.3 and 8.1.1

4 Appendix D, Official Transcript of Evidence, page 3

5 *ibid*, page 7

6 Appendix C, Submission No. 1, paragraph 2.1.1.1

7 Appendix D, Official Transcript of Evidence, page 11

- 3.7 The Committee strongly commended DAFF on the establishment of the CCC and its approach to the management of the project.

## Workflow Concerns

- 3.8 At the hearing, the Committee observed that many agencies relocate to consolidate operations at a single location, with a view to achieving improvements in operational efficiency. Having learned that DAFF proposes to relocate into two premises, the Committee were curious to know how this arrangement would impact upon staff management and workflow.

- 3.9 DAFF responded that while it has approximately 4,200 staff:

We [DAFF] presently have more than 50 per cent of our staff geographically dispersed right around Australia so we have a much higher level problem in how we manage that, than a lot of other departments that are very central to Canberra.<sup>8</sup>

DAFF added that its proposed relocation to two buildings is not dissimilar to its current arrangement at EBB, where overflow is accommodated next door at Bligh House. DAFF assured the Committee that it does not anticipate any difficulties with the management of the Department over the two buildings.

- 3.10 The Committee also asked how staff would be divided across the two buildings. DAFF answered that it would deliberately choose corporate staff areas to be divided so as

...not to lose the synergy that is necessary across the core activities of the department.<sup>9</sup>

## Building Facilities

### Security

- 3.11 DAFF submitted it would seek advice from relevant security agencies and undertake a security assessment will be undertaken as part of the base-

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8 Appendix D, Official Transcript of Evidence, page 4

9 *ibid*

building design and fit-out specifications.<sup>10</sup> The Committee was interested in the security challenges presented by the new premises.

- 3.12 DAFF explained that it had met the requirements of its Protective Security Manual in designing the security measures for the new buildings. At EBB, DAFF utilises four of the six core entries and conceded that the cost of manning multiple entries with security personnel was “quite high”. At the new Marcus Clarke Building, DAFF proposes to have a single guarded entry point on the ground floor, which will achieve cost savings and improve the overall security for the Department.<sup>11</sup>
- 3.13 Based on the security assessments undertaken to date, DAFF is confident that the designs of both new premises will not present any significant security risks.<sup>12</sup>

### **Café, Gymnasium, and Child-Care Facilities**

- 3.14 In its main submission, DAFF submitted that the on-site provision of a café, a gymnasium and child-care facilities was being considered against the availability of those facilities in the vicinity of the new buildings.<sup>13</sup> The Committee enquired into the progress of the incorporation of these facilities into DAFF’s new premises.
- 3.15 DAFF explained that it was still examining options for the inclusion of the café, a gymnasium and child-care facilities. DAFF’s lease agreement contains the option to return a portion of the ground floor to the developer, for the commercial operation of a café.
- 3.16 According to DAFF, the proposed child-care centre would need to be located on the ground floor to comply with relevant standards and requirements for such facilities. DAFF is currently conducting a staff survey to measure the demand for on-site child-care facilities, and is also exploring any other child-care options which range from an on-site facility to shared facilities with other Commonwealth agencies.<sup>14</sup>

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10 Appendix C, Submission No. 1, paragraph 5.1.16.6

11 Appendix D, Official Transcript of Evidence, page 7

12 *ibid*, page 10

13 Appendix C, Submission No. 1, paragraph 5.1.3.2

14 Appendix D, Official Transcript of Evidence, page 8

## Recommendation 1

**The Committee recommends that the Department of Agriculture, Fisheries and Forestry advise the Committee of the Department's decision in respect of the child-care facility.**

## Office Configuration

- 3.17 DAFF submitted that the average space allocation per employee at the new premises could be 16.5 square metres, while the current premises provides between 17.6 square metres and 18.6 square metres per person.<sup>15</sup> The Committee sought further detail on the benefits of reducing the average space allocation per person in the proposed new office configuration.
- 3.18 DAFF explained that the floor plate size at EBB is 1,200 square metres compared to the 2,400 square metres at the Marcus Clarke Building. The unusual floor plate design at EBB has limited the amount of usable floor space. While the larger floor plate at the Marcus Clarke building will allow for more efficient use of space through improved office configurations. DAFF continued that EBB contains more meeting rooms than are required, which will be addressed in the proposed fit-out without loss of amenity to staff.<sup>16</sup>

## Staff Population

- 3.19 Part of DAFF's stated need for the project is to accommodate the anticipated growth of staff population. Whilst EBB currently accommodates most of DAFF's 1,750 head office employees, the new buildings in Civic will be capable of accommodating up to 1,900 staff.<sup>17</sup> At the public hearing, the Committee asked for more information on DAFF's projected staffing levels.
- 3.20 DAFF were unable to specify the timeframe over which it anticipated staff numbers to increase to 1,900, but explained that it did not want to occupy new premises at maximum capacity. DAFF added that it did not wish to

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<sup>15</sup> Appendix C, Submission No. 1, paragraph 1.4.2

<sup>16</sup> Appendix D, Official Transcript of Evidence, page 6

<sup>17</sup> Appendix C, Submission No. 1, paragraphs 1.4.1 and 1.4.2

pay rent on empty office space, and had therefore determined a level of 1,900 staff as appropriate.<sup>18</sup>

- 3.21 DAFF reassured the Committee that, based upon its current core activity, the proposed new premises would be able to accommodate the anticipated staffing levels of the Department.<sup>19</sup>

## Site Considerations

### Car Parking

- 3.22 At the public hearing, the Committee sought further information about parking arrangements at the proposed new premises.
- 3.23 DAFF explained that parking at EBB is free, but that there are insufficient spaces for all staff. The number of car parking spaces at the new premises would be similar to the number provided at EBB, and DAFF therefore anticipates allocating spaces according to its existing policy.<sup>20</sup> DAFF estimated, however, that there would be approximately 600 available pay-parking spaces in the vicinity of the new buildings.
- 3.24 DAFF explained that staff had raised concerns about the use of pay-parking and had been informed that an anticipated development in Barton would increase pressure on parking availability in that area. Therefore, DAFF concluded that remaining in Barton would not necessarily resolve parking issues.<sup>21</sup>
- 3.25 To further examine the car parking needs of the Department, the Committee requested details of the proportion of staff that would drive to work. Information provided to the Committee subsequent to the hearing showed that 912 staff (approximately half of staff surveyed) expect that they will drive to work at least one day per week after the relocation.

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18 Appendix D, Official Transcript of Evidence, page 8

19 *ibid*, page 9

20 *ibid*, page 5

21 *ibid*, page 6

## Environmental Considerations

### Fresh Air Flush Cycle

- 3.26 In its main submission, DAFF lists a number of features intended to help achieve best practice in environmentally sustainable design. Specifically, the Committee sought more information on the “fresh air flush cycle” proposed for the new buildings.<sup>22</sup>
- 3.27 DAFF explained the operation of the fresh air flush cycle as follows:
- Each floor has four automatic louvre sets in various locations and also automatic temperature sensors so that when the ambient temperature outside drops to a certain point, the louvres can open and the temperature differential will automatically flush the air. This saves a lot of energy in the start-up in the morning when, normally, air-conditioning is battling to bring down the temperature of a hot building.<sup>23</sup>
- 3.28 DAFF added that another benefit of the fresh air flush cycle is that the building would receive fresh air, rather than continual circulation of the same internal office air. Fresh air flush louvres would not be installed on the ground floor, and would therefore not pose a significant security risk.<sup>24</sup>

### Recommendation 2

**The Committee recommends that the proposed fit-out of new leased premises for the Department of Agriculture, Fisheries and Forestry in Civic, ACT, proceed at the estimated cost of \$36 million, noting that this figure may be less, due to lease incentive arrangements.**

**Hon Judi Moylan MP**

Chair

10 May 2006

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<sup>22</sup> Appendix C, Submission No. 1, paragraph 5.1.19.2

<sup>23</sup> Appendix D, Official Transcript of Evidence, page 6

<sup>24</sup> *ibid*, page 7