

## The Proposed Works

### Need

- 2.1 The need for the proposed work is driven by Customs' objective of consolidating its Sydney activities at a single location and the operational benefits that will arise from such consolidation.
- 2.2 Customs currently occupies two main office sites in Sydney. These are located at Link Road in the Sydney Airport Precinct and at Pitt Street in the central business district. Customs has leased these premises since 1989 and 1992 respectively.
- 2.3 The decision to relocate is timely given that the leases on both properties expire in 2003. In fact, the lease at Pitt Street expired on 28 February 2003. Customs negotiated a revised lease until 31 December 2004, which involved considerable reduction of space. The lease at Link Road expires on 30 June 2003. Customs are currently negotiating future lease arrangements with SACL.
- 2.4 Another factor contributing to the need to relocate is the degenerating condition of the Link Road premises. At present, the building has air quality and air-conditioning problems, and requires significant annual repairs at Customs' expense.<sup>1</sup>

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<sup>1</sup> Appendix C, Submission No. 1, paragraph 1.3.1

## Scope

- 2.5 Customs intends to lease the new Cooks River Drive building for ten years, with two five-year options, and will be undertaking its own fit-out.
- 2.6 Works required to meet Customs' objectives comprise:
- integration of electrical, mechanical, security, communications, fire and hydraulic services into base-building works;
  - fit-out of investigations evidence rooms, operation rooms and a control room to meet special Customs requirements; and
  - general office fit-out, including public reception facilities, security-controlled access, partitioning and open-plan work areas, workstations, enclosed offices, computer room, meeting rooms, personal and common storage facilities, conference and training facilities, first aid room, utility rooms, a carer's room, kitchens, a gymnasium, lockers and showers.<sup>2</sup>

## Purpose and Suitability

- 2.7 Customs expects that rationalisation of accommodation will result in a number of operational and administrative benefits, specifically:
- cost efficiencies;
  - technological improvements in services;
  - infrastructure efficiencies;
  - opportunity to adapt base-building to Customs requirements;
  - enhanced corporate identification;
  - consolidation of public contact points; and
  - efficiencies in work allocation and resource use.<sup>3</sup>
- 2.8 The consolidation of Customs' offices at a single site located in the Sydney Airport Precinct will improve access for Customs' clients.

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2 Appendix C, Submission No. 1, paragraph 2.2

3 ib id, paragraph 1.1.5

- 2.9 The relocation will also bring Customs' main office closer to its major operational facility at Sydney International Airport.

## Cost

- 2.10 The total estimated cost of the proposed fit-out project is \$13.409 million. These costs include:
- workstations;
  - joinery and fittings;
  - partitions, walls, ceilings, doors and hardware;
  - services;
  - preliminaries;
  - project management and consultants' fees;
  - contingencies;
  - escalation; and
  - GST.
- 2.11 Based on information supplied by the project manager and quantity surveyor, Customs considers \$1,000 per square metre to be an achievable fit-out cost.
- 2.12 To ensure that the end cost remains within the stated budget, fit-out will be designed to the cost plan, rather than costed upon completion.<sup>4</sup>

## Value for Money

- 2.13 Customs believes the proposed development to be a cost-effective property solution. The collocation of Customs' Sydney offices at the airport site is expected to result in operational and administrative efficiencies, and also to generate savings in property expenses.
- 2.14 As Customs will be the major tenant of the Cooks River Drive property, there are also operational and financial advantages to be

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<sup>4</sup> Appendix C, Submission No. 1, paragraph 2.19.5

gained from incorporating Customs' specific requirements into the base-building structure.

- 2.15 As part of their agreement with SACL, Customs has negotiated a monetary incentive in the form of a four-month, rent-free period on the new premises, and has also arranged for three years of staff car-parking at no cost.<sup>5</sup>
- 2.16 In terms of broader public value, it is expected that some direct employment opportunities will be created by the construction and fit-out of the proposed building.
- 2.17 Once the fit-out has been completed and the building is occupied, Customs believes that there is the potential for a positive impact on local retail trade and public transport.<sup>6</sup>

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5 Appendix C, Submission No. 1, paragraph 1.10

6 ib id, paragraph 2.18.2