

Proposed fit-out of new leased premises for the Australian Taxation Office at the site known as 55 Elizabeth Street, Brisbane, Queensland

- 3.1 The Australian Taxation Office (ATO) currently leases office space across two building buildings in the Brisbane CBD. The proposed project aims to consolidate these two sites into a single building.
- 3.2 The proposal will also provide the ATO with greater business operational efficiencies and significant improvement in the standard of accommodation for its staff. The building will also meet mandatory Commonwealth policies including a minimum 4.5 star NABERS rating as well as allowing the ATO to proactively manage space allocation to meet guidelines prescribed in the recently endorsed Commonwealth Property Management Framework.
- 3.3 The lease over one of the two existing buildings will expire in June 2013, with the other site set to expire early in 2014. It is proposed that the new office accommodation will be in place to meet the expiring lease in 2013.
- 3.4 The estimated cost of the project is \$33.1 million.
- 3.5 The proposal was referred to the Committee on 2 June 2011.

Conduct of the inquiry

- 3.6 The Committee received one submission and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 3.7 The Committee undertook a site inspection, public hearing and an in-camera hearing on the project costs on 8 August 2011 in Brisbane.

- 3.8 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1: Australian Taxation Office.

Need for works

- 3.9 The ATO is currently located in three leased premises in the Brisbane CBD. The proposal is to lease and fit out a building that offers co-location of staff from Terrica Place and Emirates House into a single site. Co-location will give the ATO the opportunity to implement more collaborative work practices, uniformity of workspace and administrative efficiencies.²
- 3.10 The leases on Terrica Place and Emirates House are due to expire on 28 February 2014 and 30 June 2013, respectively.
- 3.11 The existing leases are below the expected NABERS rating of 4.5 stars, and do not meet the Commonwealth Property Management Guidelines density target of 16m² per occupied workpoint.³
- 3.12 The Committee finds that there is a need for the proposed works.

Scope of works

- 3.13 The proposal is to fit-out 18,500 square metres of office space over approximately 14 floors. The fit-out would include:
- integration of services into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services;
 - supplementary air-conditioning in those rooms with higher than normal cooling and ventilation requirements;
 - lighting control system to reduce energy consumption;
 - data cabling throughout the tenant areas;
 - door hardware and electronic access control at the main entrances, other entrances, exits, vehicle access points and internal areas with higher than normal security needs;
 - supplementation of the base building fire services where required;

1 <www.aph.gov.au/pwc>

2 Submission 1, Australian Taxation Office, p. 5.

3 Submission 1, Australian Taxation Office, p. 7.

- architectural designed office accommodation including construction of reception areas, a security alarm system, an electronic control system, general office fit out and open plan work areas;
- standardised office sizes of 32m² and 16 m²;
- generic workstations;
- breakout spaces, quiet rooms and casual meeting space;
- computer rooms built to specification;
- storage facilities;
- conference and training facilities;
- first aid rooms, amenities areas, kitchens; and
- showers and lockers.⁴

3.14 The building design and fit out will enable the ATO considerable flexibility to meet its ever-changing accommodation requirements. This will be achieved through:

- work points that can easily and quickly be reconfigured without disturbing productivity;
- maximising the use of open plan areas;
- ensuring the enclosed areas are capable of being altered easily to allow for future change, e.g. the utilisation of modular meeting room design so that two small meeting rooms will also satisfy the requirements of one large meeting room with minimal additional works;
- building services that are located to allow for repositioning of walls, work point layouts and accommodation changes in technology; and
- a robust security system that protects ATO information, people, other assets and operations.⁵

Cost of works

3.15 The total estimated out-turn cost for this project is \$33.1 million (excluding GST). The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with the ATO on those costs.

4 Submission 1, Australian Taxation Office, pp. 20-21.

5 Submission 1, Australian Taxation Office, p. 21.

- 3.16 The Committee is satisfied that the costings for the project provided to it are adequate.

Committee comment

- 3.17 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 3.18 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

Recommendation 2

The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Proposed fit-out of new leased premises for the Australian Taxation Office at the site known as 55 Elizabeth Street, Brisbane, Queensland.