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DEPARTMENT OF THE SENATE
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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

ONE HUNDRED AND
FIFTY-THIRD REPORT

DELAYS IN OCCUPANCY
OF LEASED PREMISES

DEPARTMENT OF THE SENATE	
PAPER No.	808
DATE	
PRESENTED	15 MAY 1975
Clark of the Senate	

JOINT COMMITTEE OF PUBLIC ACCOUNTS

TENTH COMMITTEE

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L.J. REYNOLDS, Esquire, M.P.

The members from both the House of Representatives
and the Senate were appointed on 16 July, 1974.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951-1966 reads as follows:

8. The duties of the Committee are -
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1950;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
 - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
 - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

ONE HUNDRED AND FIFTY-THIRD REPORT

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CHAPTER 1

INTRODUCTION

This Inquiry arose from the Committee's concern for significant amounts of avoidable expenditure being incurred because of Australian Government departments' delays in occupying leased premises.¹

2. The Auditor-General in his Report for 1958-59 referred to the undue delay which occurred in the occupancy of leased accommodation by a department in Melbourne. The circumstances leading to the 1958-59 comment were examined by this Committee and reported on at Chapter VII of the Fifty-Second Report. In his 1967-68 Report the Auditor-General again drew attention to the matter. He said at paragraph 304:

"Cases continue to arise which involve the Commonwealth in significant amounts of avoidable expenditure due to delay in occupancy by departments of leased premises."

3. Again in his 1971-72 Report the Auditor-General stated at paragraph 313:

"An Audit review of the occupancy of premises leased by the Commonwealth disclosed instances in three States where delays occurred, or were anticipated, from the commencement of the period of the lease to the date of actual occupation.

The Department of the Interior, as the Department responsible for the management of Commonwealth office accommodation, has advised that it is aware

1. See Appendix No. 2 Quarterly data 1971 to 1973: Unoccupied leased office space.

of the need to reduce delays in occupation of buildings to a minimum. Attention has been given to its internal method of handling accommodation matters and the Department stated that a series of regular meetings with the Treasury had commenced.

The total process for leasing, funding, planning and preparation of premises for occupancy involves a number of departments and the extent of delays indicates that current procedures for overall co-ordination of effort are inadequate. Accordingly, Audit has suggested to the Department of the Interior that there is a need for a comprehensive review of current methods and procedures. The Department recently advised that delays in the occupancy of leased premises will be reduced to a minimum."

4. Having sought amplification from the Auditor-General on the above-mentioned instances the Committee decided to conduct an intensive inquiry into the procedures that departments had instituted to obtain rented premises.

5. This Report relates to submissions tendered by the Department of Services and Property, the Public Service Board, the Department of Social Security, the Department of Labour (now the Department of Labor and Immigration), the Department of Overseas Trade, the Department of Transport and the Department of Civil Aviation (now the Department of Transport).

6. In general in this Report Australian Government Departments are referred to by their titles held at the time of the Inquiry - August 1973. However, when reference is made to events which occurred at earlier periods the departments' titles when the action took place are used. For example, in general the title 'Department of Services and property' is used, excepting where reference is made to action taken when the Department was the Department of the Interior.

7. For the purposes of matters referred to in this Report a public inquiry was held at Parliament House, Canberra on Thursday 2 August 1973.

8. The following witnesses were sworn and examined by the Committee in relation to the matters referred to in this Report:

Department of Services and Property

Mr J.R. Clark - Director,
Office Construction Secretariat

Mr M.W. Frankcom - Acting Assistant Secretary (Property)

Mr C.S. Hamilton - Acting Finance Officer,
Budgeting and Works Programming

Mr W.R. Lindner - Executive Officer (S.A. Region)

Mr R.C. Smith - Accommodation Officer (Victorian Region)

Public Service Board

Mr R.N. Allen - Senior Inspector,
Personnel and General Services Section

Mr H.B. MacDonald - Secretary

Mr M.H. Mossop - Assistant Commissioner,
Management Consultancy and Review Division

Department of Social Security

Mr C. Calvert - Acting Assistant Director-General,
Establishments and Finance

Mr K.T. Kimball - Acting First Assistant Director-General,
Management

Mr F.J. McMillan - Assistant Director,
Establishments, State Headquarters,
Adelaide

Mr A.F. Sykes - Director,
Establishments and Services,
Central Office

Department of Labour
(now Labor and Immigration)

Mr D.M. Halpin - Assistant Secretary,
Management Services, Central Office

Mr A. Stephens - Principal Employment Officer,
Adelaide

Department of Civil Aviation
(now Transport)

Mr B.J. Cunningham - Acting Assistant Director-General,
Finance, Head Office

Mr F.A. Fisher - Superintendent of Business and Property,
South Australia and Northern Territory
Region

Mr J.A. Munday - Acting Director,
Business and Property, Central Office

Mr N.W. Walley - Senior Technical Officer,
Maintenance and Accommodation,
Central Office

Mr J.N. Willing - Acting Director,
Management Systems, Head Office

Department of Overseas Trade

Mr R.C. Moore - Assistant Secretary,
Management Services

Mr P.C. Robertson - Project Officer,
Management Services

Department of Transport

Mr G. Middleton - Acting Assistant Secretary,
Management Services Branch

Mr L.W.D. Taylor - Regional Controller, N.S.W.

9. During its inquiry the Committee was assisted by the following
Observers:

Auditor-General's Office - Mr R.G. Parker
Mr A.K. Regless

Public Service Board - Mr D.J. Barritt-Eyles
Mr M.R. Sexton

• Department of the Treasury - Mr D.L. Dahlberg
Mr J.L. Maher
• Mr J.I. Maunder
Mr J.B. Stokes

Department of Services
and Property - Mr P.J. Strain

Department of Works
(now Housing & Construction) - Mr I.S. Bickerstaff
Mr C.K. Fraser
Mr A.W.G. Miles
• Mr A.C. Mudd
•

CHAPTER 2

ROLES OF THE PRINCIPAL DEPARTMENTS

10. The Department of Services and Property is responsible for the management of Australian Government Department accommodation. This derives from the Australian Government's Administrative Arrangements which include:

Exhibit
153/1

"Acquisition and leasing of land and property in Australia or elsewhere for Commonwealth purposes; management and disposal of property so acquired or leased"

and the Lands Acquisition Act 1955-1966 which provides that the Australian Government may acquire for a public purpose or dispose of, or otherwise deal in, land or any interest in land vested in the Australian Government.

Summary Procedures for Acquiring Leased Accommodation

Exhibit
153/1

11. There are a number of steps necessary to be taken by Australian Government departments or agencies wishing to acquire office accommodation. These steps as they were at the time of the Inquiry hearings (August 1973) are set out in Appendix 3. In brief, the procedures are for a department to submit a request for new or additional space to the Department of Services and Property. This request is investigated to confirm the actual need and if found to be justified the department, or client, is advised of the availability of Australian Government owned or leased premises. The client examines the premises, advises if it is willing to accept the offer, provides proposed layout plans which are examined by Services and Property, Department of Works and the Public Service Inspector. Works then estimates the cost of consequential work to be undertaken while Services and Property negotiates to take the lease (if not already leased to the Australian Government). A request for rental funds is made to the Treasury following conclusion of satisfactory lease negotiations. Once the rental funds and funds for

consequential works have been approved, the Department of Works can commence the setting up work, at the completion of which the move takes place.

Role of Department of Services and Property

12. The Department of Services and Property as the body responsible for management of accommodation for departments naturally plays a significant part in the procedures. There are two major functions of Services and Property in the leasing of accommodation:

- (i) the continuous work involving contact and negotiations with developers, and planning for the current and future accommodation needs of Australian Government departments, and
- (ii) the detailed steps involved in providing specific accommodation for departments at a particular point in time.

13. The first function involving planning and arranging the provision of accommodation with developers means that officers from the Department of Services and Property are constantly in touch with property developers and real estate agents and that in fact developers approach the Department during building processes because they recognise the Australian Government as being a very desirable client. Lease negotiating processes can be long and involved often lasting up to six months for any one lease, with the ability of the Department to negotiate terms varying from city to city depending on prevailing supply and demand situations. The Committee was assured that where a glut of vacant office space existed the Australian Government would be in a strong bargaining position and during such times the Department did drive as hard a bargain as possible and developers unwilling

Qs. 20 to
29, 55, 56,
70 to 73, .
95, 96 and
A128

to co-operate or compromise were by-passed.² The Committee was also informed that to obtain better terms properties in decentralised centres were considered for leasing.

14. The second function of the Department of Services and Property in this sphere entails the provision of information and expertise to departments on real property matters and to a certain extent co-ordinating departments' efforts to alter their accommodation. It is necessary for a department initially to submit its accommodation proposals to Services and Property for its examination and subsequent approval. After verifying the client department's establishment details with the Public Service Inspector, Services and Property then advises the client of available space³ (hence the necessity for continual liaison with property and real estate agents). The proposed space is then inspected by the client and Services and Property following which the client is expected to draw up its office layout plans. Services and Property provides expertise and information

Exhibit
153/1 and
Qs. 57 and
58

2. The Department of Services and Property informed the Committee that:

Q. A282

"In recent years we have been increasingly successful in negotiating deals with the developers prior to completion of a building with the rental to commence at a date when partitioning is completed... there are many occasions when we just cannot come to this arrangement ..."

3. It was explained to the Committee that occasionally two or more departments compete for the same office space. When this occurs it is necessary for the Department of Services and Property to weigh the demands or the needs of one department against another. If it could not determine between the two or three departments it would take advice from the Public Service Board. The Department stated that it might get competing departments together and discuss it and come to a decision with all parties concerned being present.

Q. 54

to assist client departments in producing layout plans. In addition clients are sometimes referred to the Department of Works to tidy up the plans while they are still at the "pencil sketch" stage. Once the plans have been produced it is then necessary for Services and Property to examine them to ensure that they are efficiently designed and conform to the approved standards and also the existing facilities in the proposed premises. It was explained to the Committee that Services and Property had built up a considerable amount of expertise in the preparation and assessment of office layouts both in its State Offices as well as in the Central Office, all of which have their own accommodation cells.

15. While the layout plans are being "firmed-up" with the client department the Department of Services and Property simultaneously commences negotiations on a leasing agreement including an agreement on a date from which rental is to be paid. Services and Property affirmed that there would be no chance in a tight market of arranging agreements whereby rents would be payable from the date of occupancy, subject to no undue holdup (for example, over partitioning). It stated that a lessor will always endeavour to obtain rent from the time his premises are available for occupation. On the other hand the aim of Services and Property is to obtain a commencement date as near as possible to the time the premises are partitioned and ready for use. The result is often a compromise influenced by such factors as a considered estimate of the likely time needed for fitting out, the value of the Australian Government as a lessee and the general state of the leasing market.

Exhibit
153/1 and
Qs. 94 and
B25

16. The Committee was told that in some cases lessors have been willing to allow establishment alterations to begin prior to the commencement of the lease and in others they have agreed to defer for a reasonable period the date of effect of the lease or to permit a rebate of rental for a fixed term to enable

Exhibit
153/1

establishment work to be advanced as far as possible before full rental commitments are incurred.

17. Once the leasing agreement is reached and the layout plan approved the Department of Services and Property approaches the owner to obtain his approval to carry out any alterations or additions that are necessary to the premises, and also authority to occupy the premises so that workmen can carry out the work. At the same time once negotiations are concluded satisfactorily, the approvals of the Minister for Services and Property and the Governor-General-in-Council are sought by Services and Property in accordance with the provisions of the Lands Acquisition Act, and request is made to Treasury for rental funds. As soon as Services and Property advises the client and the Department of Works that approval for the lease has been obtained and funds for the payment of the rental have been made available by Treasury the consequential work can commence.

Exhibit
153/1
Q. A43

18. In addition to the functions just outlined the Department of Services and Property plays a part in co-ordinating matters. One method of co-ordinating has been through its convening of inter-departmental committees on accommodation⁴ (I.D.C.'s). The Committee was informed that in about 1963 the then Government approved the construction of an office building in Perth and simultaneously established an inter-departmental committee to help the Chief Property Officer (Department of the Interior) plan that building. The then Minister for the Interior thought that it would be useful for his department to have the benefit of similar committees in each of the States to advise the Chief Property Officer on any aspect of office accommodation about which he required information. From that time committees have been called upon to look at accommodation problems usually of a day to day nature. Generally they look at such things as the removal of departments in a group from one

Qs. A109,
A110, A127,
A215, A216,
A227, B171
and B174 to
B177

4. See Appendix No. 4 - Composition and Terms of Reference "Inter-Departmental Advisory Committee on Office Accommodation".

building to another and the consequent re-arrangement. The Committee was further informed that I.D.C.'s do not have the formal status to require departments to act on matters, that Services and Property does not submit all office accommodation layouts to I.D.C.'s but that the Chief Property Officer in each State can and does convene an advisory committee to look at some of the major accommodation proposals. Representatives attending these meetings are usually from the Department of Works, Treasury and the Public Service Board.

Role of the Client Department

19. The role played by the client department depends on the amount of additional space requested and the extent of the associated consequential works. There are eight basic steps which the client department usually must take:

Exhibit
153/1

- (i) prepare a case to be presented to the Department of Services and Property for the change in accommodation requirements;⁵
- (ii) prepare layout plan when the proposed accommodation is agreed upon with Services and Property;
- (iii) when the layout plan had been approved by Services and Property, request an estimate of the cost from the Department of Works

-
5. The Department of Services and Property informed the Committee that at this step when a department would not know what building is available and what the likely space will be, that it should only do such planning as is economically justified, bearing in mind that moves to proposed new premises may not be effected. It should, therefore, limit its planning to the extent of determining the numbers, the likely space for staff and the space for ancillary requirements such as libraries, cafeterias, waiting rooms, interview rooms, etc.

Q. A274

- (iv) submit a request for funds for consequential work to Treasury;
- (v) authorize Works to commence the setting up work once Services and Property advises that the lease is approved and rental funds will be made available;
- (vi) arrange for the connection of light and power and installation of telephones;
- (vii) inform Treasury if significant delays in occupancy are likely to occur; and
- (viii) arrange with the Department of Supply for removal operations.

20. Because of some doubts about departmental responsibilities in regard to property dealings and with a view to assisting departments in the property processes, the Department of Services and Property in December 1972 issued to all departments a manual on real property procedures, part of which was devoted to office accommodation. It laid down procedures to be followed by departments seeking accommodation together with advice on office layout and guidelines for the allocation of office space.⁶ Services and Property informed the Committee that it believed that these guidelines provided options for departments in planning their requirements. It was said that they offered an initial basis of determining the extent of space required, while giving a common basis for discussing the proposals in the early stages. The Committee was assured that they were intended as very broad guidelines open to discussion with the client departments, not firm procedures from which departures could not be made.

Exhibit
153/1 and
Qs. 11, 12
52 and 53

6. See Appendix No. 5. Guidelines for Departments seeking Office accommodation.

Role of the Department of the Treasury

21. The Department of the Treasury becomes involved in accommodation matters through its control over funds for rental and consequential works. Although the Department of Services and Property is the authority responsible for the leasing of land and property and management of property leased, Treasury is effectively able to block a lease proposal through its control over funds.

Q. 417

22. The exhibit submitted by the Department of Services and Property indicates that the Treasury is formally brought into the process by a request for funds for consequential work from the client department after the Department of Works has provided its preliminary cost estimate. In addition, following conclusion of the lease negotiations Services and Property makes a request to Treasury for rental funds. According to evidence presented by the Treasury it is not interested in the day to day progress on planning nor does it possess the expertise to go into detailed layout plans, its interest is in the kind of space generally that is to be taken and the justification for that kind of space, and the expenditure implications of a lease proposal. Again according to Treasury evidence once it is consulted by the client department to give approval for the Department of Works to proceed with detailed planning and design, there is no further Treasury involvement beyond that, unless it becomes apparent that leased premises obtained for a department will remain unoccupied for a significant period after rental becomes payable, in which case the client department should inform the Treasury.

Exhibit
153/1 and
Qs. A144
and B185

Role of the Department of Works

23. The role played by the Department of Works depends on whether or not consequential works are required. The types of matters which could involve Works include the following: ventilation, heating, air-conditioning, toilets, tea preparation and amenities areas, lifts, lighting, power fittings, floor loadings, floor coverings, fire alarm systems, fire protection

Exhibit
153/1

measures, partitions, telephones, the need for structural alterations, additions and/or improvements, repairs and maintenance, any alterations necessary to existing partitions in premises, and the installation of other fixtures and fittings to ensure adequate and reasonable standard of accommodation.

24. The Department of Services and Property advised the Committee that the Department of Works is initially brought into the picture when the client department inspects the premises proposed for leasing. If there are no alterations or additions required to be carried out then Works is not involved. The Department of Works submitted that if it was consulted at that juncture it was able to assist with the office layouts, and in fact client departments were often referred to Works for this purpose and to prepare the preliminary sketch plans. Once the layout plan is approved by Services and Property, Works proceeds to produce a preliminary estimate of the cost of consequential work which is then forwarded to Treasury with a request for funds. Works, however, does not await this Treasury funding authority before proceeding with documentation to bring the project to the tendering stage. Works explained that it then had to make a judgment as to whether the project would go ahead or not, and it relied on Services and Properties to tell it this. If the lease appeared to be firm and the requirements definite the Department of Works proceeded without awaiting any financial authority. According to the Treasury evidence it approves a project in principle, and when it is included in a programme, whether it is a repairs and maintenance or a works programme, authority exists for the Department of Works to proceed with the detailed documentation and design necessary to get the project out to tender (see Step 7, Appendix No. 3)

Exhibit
153/1 and
Qs. 47, 58,
59, 62 and
B145

25. Once the lease has been finalised and funds for rental and consequential works approved by Treasury, the client department provides the Department of Works with a requisition authorising commencement of the setting up work. Works explained to the Committee that once this stage is reached there is a lead time before construction can commence, involving checking layouts and then proceeding with detailed documentation for the invitation of public tenders. It was also pointed out by Works that it was normal for client departments to want to improve layout plans right till the moment when alterations commence, and that this obviously would have some impact on the time taken to finalise documents for contract purposes.

Exhibit
153/1 and
Qs. 81 and
82

26. The setting up work proceeds on the basis that partitions are to be erected initially and other incidental matters carried out subsequently so that the earliest date of occupation of the premises may be achieved. It was explained to the Committee that there were three major ways that the Department of Works was able to provide partitioning in leased premises. The general practice was for Works to call public tenders for partitioning required, thereby providing it at Australian Government expense; the other two methods were to have it provided by the lessor with the Government meeting either the capital cost or by way of rental.⁷ Partitioning is authorised on a requisition from the occupying department, tenders called and contracts let in accordance with normal procedures.

Exhibit
153/1 and
Q. 13

7. The Department of Works explained that with regard to standard specifications for partitioning it believed that it would be inefficient to standardise on partitions for which large stocks of various types would have to be carried. It agreed that theoretically standardisation was a good concept, however, in practice it did not work out since quite a few of the buildings leased had varying heights and types of ceilings, and thus required varying types and standards of finish and partitions.

Q. B255

27. According to evidence given by the Department of Services and Property it is necessary for office layouts to be approved by the lessor. This was confirmed by the Department of Works which stated that there were certain cases where Works was restricted in what it could do. For instance, in a leased building the owner might require certain forms of partitioning, it might require certain consulting engineers or specific designs for proposed alterations to services in order to keep current guarantees on operating plant, and in some cases to go to particular contractors to carry out work (this could particularly occur with air-conditioning systems).

Exhibit
153/1 and
Qs. 82 and
83

Role of the Public Service Board

28. Unless the Public Service Board itself is one of the organisations taking part in the move its involvement is in general minimal. Departments are expected to put forward proposals for office space based on the guidelines⁸ prepared and issued by the Department of Services and Property. These guidelines provide inter alia the desirable space per officer. Services and Property checks the space requested by a client department against these guidelines. Because Services and Property has no knowledge of precise departmental establishments either current or future, the proposal is referred to the Public Service Board or the Public Service Inspector's Office for confirmation and/or comment on the amounts of space requested by a department.

Qs. A172,
A212 and
A216

8. See Appendix No. 5

CHAPTER 3

DEPARTMENT OF CIVIL AVIATION (NOW TRANSPORT)

(a) Occupation of Air Liquide House, Melbourne

29. During the 4 years prior to 1970, annual growth rate of the Department of Civil Aviation had averaged 6½ per cent. An ad hoc head office committee whose purpose was to examine accommodation requirements based on staff growth, existing density of accommodation, known recruitment factors and growth within the industry, resolved that within 12 months an additional 45,000 sq ft would be required. In accordance with this finding, the Department of the Interior was asked on 12 May 1970 to provide the space needed. Interior gave D.C.A. a list of city buildings for consideration including some in South Melbourne. The Department informed the Committee that on 30 October 1970 after considerable discussion and investigation, particularly of the problems involved in moving away from the city area, it was agreed with Interior that suitable accommodation was available for leasing at Air Liquide House, situated at 20 - 22 Albert Road, South Melbourne. It was requested that preliminary negotiations be commenced with the letting agent.

Exhibit
153/A5 and
Q8. A259
and A260

30. On 2 December 1970, the Public Service Inspector was informed of the present and projected staff details and on 17 December 1970 the Department was advised that the Public Service Inspector considered that the accommodation requested (45,000 sq ft) was justified and that Air Liquide House would be suitable. The Committee was informed that extended meetings were held with the various staff organisations and departmental supervisors, after the Department of the Interior sought assurances on 22 December 1970, that the Department would proceed with the matter and that staff organisations would not object to their members being located in South Melbourne rather than the central city area. The required assurances from the staff organisations were given to the Department of the Interior

Exhibit
153/A5

on 8 March 1971, together with the Minister for Civil Aviation's approval in principle to the proposed lease, and a Property Requisition covering the rental for the office accommodation.

31. In explanation of the Department of the Interior's request on 16 March 1971 for a re-examination of the Department's requirements, in respect of anticipated additional establishment, the Committee was informed that all departments were asked to scrutinise their current office accommodation proposals with a view to assessing whether their requirements were inescapable at that time. By way of background the Public Service Board Observer drew the attention of the Committee to the Board's 1971 Annual Report, in which reference had been made to the then Prime Minister's instruction that increases for departmental establishments should be reviewed and scrutinised rather closely. He said that virtually all proposals were sent back to departments for review because of the Prime Minister's directive. The Department of Civil Aviation confirmed its requirements on 26 March 1971.

Qs. A261
to A265

32. On 23 March 1971, the Department of the Interior requested further advice about car parking requirements and asked whether these had received the Minister for Civil Aviation's approval. The Department forwarded the required assurances to Interior on 1 April 1971.

Exhibit
153/A5

33. On 27 April 1971, the Victorian Branch of the Department of the Interior approached its Central Office for formal approval for the lease. On 10 June 1971, the latter queried certain area aspects of the proposal and on 25 June 1971 discussions took place with the Department of Civil Aviation which subsequently on 7 July 1971, forwarded further and more detailed statements supporting the accommodation requirements for present and future staff increases and details of the

Exhibit
153/A5
Qs. A264
to A266

present Melbourne accommodation. On 23 August 1971, two officers from Interior Central Office inspected Aviation House Melbourne. The witness representing the Department of Services and Property stated:

"Aviation House is the Headquarters of the Department (of Civil Aviation) and in the assessment of existing space needs to support the Department's request to go into Air Liquide House, they had provided establishment figures relating to the net office space available in all their accommodation including Aviation House. We had had discussions with Treasury about this and, without being too critical of the efforts of the Chief Property Officer, (from the Victorian Branch of the then Department of the Interior) and the Department of Civil Aviation, in their preparation of the case, we were a little disturbed about the imbalance between the space allocation per officer that we thought was reasonable and the amount they actually had. Because of the very close attention we were giving to matters of this sort at the time we went to Aviation House and, with the representatives of the Central Office, discussed the whole situation and inspected Aviation House and satisfied ourselves that it was not possible for them to re-arrange the accommodation in that building to gain any extra space. This was one of the steps taken that eventually gained our support for the proposal indicated".

34. Following this, an approach was made on 27 October 1971 by Interior's Central Office to Treasury for rental funds and, on 10 November 1971 Treasury replied with queries on the staff figures used in the justification for the space and on the Department of Civil Aviation's financial programming for the

Exhibit
153/A5
QS. A267
to A269

consequential work costs. The Treasury witness said that these queries related to the economic restraint conditions which still applied in November 1971. The Department of Civil Aviation answered the programme query on 18 November 1971.

35. Since the Department of Civil Aviation knew that negotiations had been continuing with the owner of Air Liquide House from the completion of the building in early 1971, it sought the advice of the Postmaster-General's Department on 22 April 1971 on the availability of telephone services, and made tentative arrangements for adequate installations to enable occupation of the premises if the lease were negotiated. The P.M.G. advised the Department on 4 June 1971 that it would take considerable time to provide and install a P.A.B.X. and only two manual exchanges of 80 lines each could be provided until a P.A.B.X. would be available. Although no lease had been arranged preliminary steps were taken to prepare office layout sketches for the space, and some of these were forwarded to the Department of the Interior in June 1971. Because of previous experience⁹ it was not considered proper or efficient use of scarce manpower to proceed with all the drawings to a final stage until the Department was sure it would definitely get the lease.

Exhibit
153/A5
Qs. A270
and A272

36. It was explained to the Committee by the Department of Services and Property that by the end of 1971 the owner of the building was becoming rather anxious to get people into the place since it had been vacant for almost a year while various submissions had gone to Head Office Interior, and Treasury. Because his Department was also anxious to obtain the premises since it was "a very good deal", an agreement was reached with the owner to start the lease from 1 January 1972.

Qs. A270
and A271

9. The Department informed the Committee of an unfortunate experience of designing for a move to Cromwell House in Melbourne which at the last moment was re-allocated to another department with consequent loss of 9 man-months of design effort.

Exhibit
153/A5
Q. A273

37. The Department of Civil Aviation was informed of this agreement on 22 December 1971, thus giving it only 1 week prior to commencement of rental payments in which to finalise layout plans. On 31 December 1971 the Department of Civil Aviation advised the Postmaster-General's Department that as a lease of the premises had been arranged to commence on 1 January 1972, temporary facilities (the two manual exchanges) were required. Further preliminary office plans were forwarded on 11 January 1972 to the Department of Works for estimating purposes. Although these were not substantially different to those drafted in June 1971, it was only after these sketches were prepared that the problem of delayed occupancy occurring was seen. The Department of Civil Aviation then sought, as an interim measure, to have temporary partitions erected to facilitate earliest occupation.

Exhibit
153/A5 and
Q6. A272,
A273 and
A276

38. On 17 January 1972 more detailed layout plans were forwarded to the Department of the Interior and on 20 January 1972 to the Department of Works. Detailed plans and a written brief covering the six floors and 45,000 sq ft of space were forwarded on 18 February 1972 to the Department of Works and other control authorities as final briefing for the particular layout. On 14 February 1972, the Department of the Interior queried certain aspects of the layout sketches and requested amended layout plans which were supplied on 23 March 1972, and cleared by that Department on 29 March 1972. On 10 March 1972 the Department of Works advised Civil Aviation of the preliminary estimate of the cost of consequential works. Much of the time taken to calculate this estimate had been caused by the Department of Works' attempts to get additional or more detailed information on the services of the building. The witness from Works indicated that in normal circumstances the time taken should have been less. Similarly with the limit of cost estimate which Works provided on 4 May 1972. This, the Committee was informed, was a revision of the preliminary estimate based on the full detailed briefing that was received from the

Exhibit
153/A5 and
Q6. A273 to
A275 and
A279

Department of Civil Aviation on 18 February 1972. A great deal of work was involved in determining the extent of the alterations, particularly electrical, which were thought to be very heavy. Bearing in mind the telephone situation and the Department's wish to occupy the space as soon as possible, arrangements were made with the Department of Works for only two floors to be occupied by partitioning contractors, the rest to be occupied either permanently or temporarily by the Department (i.e. before and after partitioning). The Department assured the Committee that it exercised progressive occupancy of completely undeveloped areas from the outset. The Postmaster-General's Department completed the telephone installation on 22 March 1972 and 3 days later the Department of Civil Aviation occupied the third and fourth, a small part of the fifth and part of the ground floors. These areas were open and non-partitioned.

39. Having received the Department of Works limit of cost estimate, this was discussed with Treasury which gave its full approval on 11 May 1972. Following this, a requisition was placed with the Department of Works on 7 June 1972. A summary of the work plan for partitioning as provided to the Committee is as follows:

Exhibit
153/A5 and
Q. A275

- Stage 1 - floors: part of the ground, first and second, to be completed 19.10.72;
- Stage 2 - floors: five and six, to be completed 21.12.1972;
- Stage 3 - floors: three and four, to be completed 22.2.1973

40. The Department occupied three quarters of the fifth floor on 8 April 1972 and the balance on that floor on 5 August 1972. On 6 May 1972 it occupied three quarters of the sixth floor. The work scheduled as Stage 1 was completed on 28 September 1972 and internal moves to allow the fifth and sixth

Exhibit
153/A5

floors to be vacant for the Stage 2 work were made on 29 and 30 September 1972. Stage 2 was completed on 23 November 1972, which was followed by internal moves on 25 November 1972, to allow the contractor to proceed with Stage 3 on floors three and four. Stage 3 was completed on 9 March 1973.

41. The Department supplied to the Committee estimates of the amount of "dead rent" paid in connection with Air-Liquide House, Melbourne. The total estimate was \$97,000 of which approximately \$62,000 could be offset against the area used by the Department of Works as a workshop and approximately \$5,000 for P.M.G. occupancy at the outset, thus reducing the Commonwealth's net estimated loss to \$30,000. Q. A281

(b) Occupation of Additional parts of the Da Costa Building, Adelaide

42. The Da Costa Building, at 68 Grenfell Street, Adelaide, was used to accommodate the Department of Civil Aviation South Australia - Northern Territory regional headquarters. Prior to October 1969 the Department occupied part of the first floor (810 sq ft) part of the third floor (5,887 sq ft), part of the fourth floor (5,798 sq ft) and all the fifth floor (9,780 sq ft) - a total of 22,275 sq ft in the Da Costa building. The Committee was informed that the reason for the Department's request on 23 October 1969 for an additional minimum of 6,000 sq ft office space had been the 13 per cent growth in staff over a period of four years which had made total accommodation insufficient in many ways. Exhibit 153/A5 and Qs. A222, A223 and A258

43. Following an inter-departmental committee on accommodation meeting, the Department of the Interior on 28 April 1970 was able to offer the Department of Civil Aviation 5,733 sq ft (1,093 sq ft on the third floor and 4,640 sq ft on the sixth floor) conditional upon the Department of Supply moving from the space it presently occupied in the building. At the same time Exhibit 153/A5 and Qs. A225, A226, A228, and A230 to A232

D.C.A was asked to submit a report on its present and future accommodation requirements based on re-organising the whole Department as the result of moves by other departments from the Da Costa Building (see Chapters 4(a) and 4(b)) D.C.A. stated that it indicated on 22 May 1970 that these areas would be suitable and would be accepted when and if definitely allocated, and according to the Department's submission, at this stage mention was made of the need for more space in addition to the 5,733 sq ft offered by Interior. (This was confirmed by Services and Property). The report on the accommodation requirements of the Department was submitted on 24 June 1970 to Interior which referred it to the Public Service Inspector for comment.

44. The Department of Services and Property explained that the report was researched in depth to assist in deciding whether or not the Department of Civil Aviation had a valid case. At the same time the requirements of the Department of Works, the Public Service Inspector's Office and the Department of the Interior were looked at prior to a meeting of the inter-departmental committee on 27 July 1970. D.C.A's submission states that at this meeting agreement was reached for Interior; the Department of Supply and the Public Service Inspector's Office to move from the Da Costa Building as soon as possible and the space thereby made available in the building and still leased by the Commonwealth to be apportioned to D.C.A., Works and the Auditor-General's Office. The Public Service Inspector on 4 September 1970 agreed to the allocation to D.C.A. of 4,652 sq ft of his office space on the sixth floor and 817 sq ft of Interior's space on the seventh floor. Services and Property informed the Committee that on 29 October 1970 because of these agreements it was then able to meet D.C.A's additional request by releasing 3,545 sq ft from the seventh floor, subject to negotiations continuing and everything going forward to remove Interior from that particular location.

Exhibit
153/A5 and
Qs. A228
and A233

45. The Department of Civil Aviation commenced the design in November 1970 of partitioning and other facilities to enable the redistribution of D.C.A. staff over the various floors of the Da Costa Building. The completed layout plans for all areas occupied and to be occupied, including the sixth and seventh floors, were submitted to the Department of the Interior on 26 January 1971. The Department of Services and Property confirmed that it would not have been feasible to commence planning for this redistribution prior to December 1970 because of the indefinite nature of the negotiations.

Exhibit
153/A5 and
Qs. A235,
A236 and
A238

46. The Department of Civil Aviation informed the Committee that on 3 February 1971 it started to occupy the areas on the sixth floor (4,640 sq ft) despite the old partitions not being suitable. However, only a few days after the lease was allocated to the Department, the Government announced its economic restrictions and the decision to proceed with consequential work had to be postponed. It was then suggested that the Department of the Interior might be able to occupy the area without any changes to the partitioning. Interior did in fact occupy the area until 16 September 1971, when it was permanently allocated to D.C.A. During this period rent was paid by D.C.A.

Exhibit
153/A5 and
Qs. A239 and
A240

47. The Department's submission states that from February to August 1971, discussions were held between the Departments of Civil Aviation, Interior, Works, Public Service Inspector and the owner of the building, on the revision of plans and estimates of costs involved. The Department of Services and Property explained that these discussions included Interior's suggested improvements and those of the Public Service Inspector, as well as revisions initiated by D.C.A. The final plans were approved by both the Public Service Inspector and Interior on 4 August 1971. The Public Service Inspector, the Committee was informed, does not usually approve final layouts but because of his involvement in the building, he had written directly to the Department on the matter.

Exhibit
153/A5 and
Qs. A241 and
A243 to A245

48. On 13 and 16 September 1971 areas on the sixth (4,652 sq ft) and seventh (4,362 sq ft) floors were passed to the Department of Civil Aviation and progressively occupied. On the two floors an area of 5,162 sq ft was used by the Department of Works as a staging area for the storage of partitions and a workshop assembly area. During October 1971 the Department of Works arranged detailed drawings of the complete re-work of all floors occupied by D.C.A. and provided on 4 November 1971 a limit of cost estimate. The Department received the final layout approval from the Public Service Inspector on 13 December 1971 and approval to incur the expenditure within the Department was received on 14 December. However, a requisition authorising the consequential works was not forwarded to the Department of Works until 10 January 1972. The Department could not provide the Committee with a reason for this delay other than citing the intervention of Christmas and annual holidays.

Exhibit
153/A5 and
Q. A246

49. The Department's submission states that the Department of the Interior was then asked by the Department of Works to obtain the building owner's approval to the consequential works. Plans were referred to the owner by Interior on 14 January 1972 and on 17 January 1972 the owner advised that his building consultants must be engaged for the alterations. The Department of Services and Property explained that the building owner could not have been approached immediately after the Public Service Inspector's approval on 13 December 1971, since they had to receive from the Department of Works specific details of what alterations were to be made and the extent to which these changes would have to be made good when the premises were vacated. This could not have been done in a generalised way. Subsequently on 21 January 1972 the Department of Works advised D.C.A. of the consequential work scheduled for the period February to August 1972 as notified by the consultant.

Exhibit
153/A5 and
Qs. A247 and
A248

50. The Department of Works explained that during the occupation of the building by various Commonwealth departments over the years, the Commonwealth and the owner had come to an understanding whereby Works could undertake the design and possibly

Exhibit
153/A5 and
Qs. A250,
A253 and A249

do departmental building work in the building with the departmental day labour force. The urgency of the job was realised by Works and it, therefore, made attempts to hasten the process. It did this in one way by utilising the understanding it had with the owner to use day labour on partitioning work, thereby minimising the amount of drawing required in the office and circumventing the process of obtaining tenders.¹⁰ Because the lease documents required the owner to specify his own contractor for electrical and mechanical work these parts were done by contract.

51. The submission from the Department of Civil Aviation stated that full occupancy of the sixth and seventh floors was effected during September 1972. D.C.A. informed the Committee that of \$33,000 "dead rent" paid by it to September 1972, \$13,000 was for the areas used by the Department of Works during the construction of the partitions and other works, and \$6,000 for the area occupied by the Department of the Interior, so that the effective loss was approximately \$14,000.

Exhibit
153/A5 and
Qs. A255 to
A257

10. The Department of Works stated that it had better control over the progress of a job when using day labour than when private contractors were involved, and it could, therefore, hasten the time taken if it used day labour on such things as partitioning.

Q. A253

CHAPTER 4

OCCUPATION OF I.M.F.C. HOUSE, ADELAIDE

(a) Department of Services and Property

52. In 1970 the Adelaide Office of the then Department of the Interior was located in the Da Costa Building, Adelaide. Because of the need at that time for additional space for the major Commonwealth tenants in that building (these being the Department of Works, Civil Aviation and Supply, (see Chapter 3(b)) the decision was taken in consultation with other departments and the Public Service Board to relocate some of the units of Interior. I.M.F.C. House was chosen for this move after an evaluation of the office space available in Adelaide.

Exhibit
153/A2 and
Qs. A1 to A8

53. On 18 October 1970, the then Minister for the Interior approved the leasing in I.M.F.C. House of approximately 25,810 sq ft of office accommodation, this being the whole lettable space on floors, 10, 11 and 12 and parts of floors 9 and 13 of that building. The accommodation was required for the Department of the Interior and the Public Service Inspector's Office, the actual areas being: Interior 14,704 sq ft and the Public Service Inspector's Office 10,504 sq ft. The space previously occupied by each of these departments in the Da Costa building had been respectively 5,202 sq ft and 6396 sq ft.

Exhibit
153/A1 and
Q. A35

54. On 21 October 1970 the Department of the Interior sought funds approval from the Treasury while at the same time initiating consultations with the Department of Works on consequential work arising from the layout plans. Discussion then took place with the Treasury in attempts to resolve differences but on 26 November 1970 Treasury officially indicated its reservations about the amount of space requested by Interior by setting down the points which could not be resolved in discussion and calling for a written response to the queries outstanding. Following this response, Interior and the Public Service Inspector's Office held

Exhibit
153/A1 and
Qs. A15, A16,
A27, A28, A36,
A37 and A44 to
A47

further consultation on this matter and decided, in view of the then current expenditure restraints, that it would be in their best interests to reduce the amount of space for each Department and to take the opportunity to see if other space could be made available to other client departments that required space in the short term.¹¹ At a meeting on 21 January 1971 between the Interior, Treasury and the Public Service Inspector the Treasury agreed in principle to the lease, subject to a study being put in hand with a view to reducing the space to be occupied by both the proposed occupants, and the surplus space, if any, to be sublet or made available to other departments. Treasury was not able to explain why it did not convey to Interior its formal agreement to this until 4 February 1971.

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11. The unusual expenditure constraints affected the entire structure of the procedures for leasing accommodation. When questioned on the flexibility and satisfactory nature of the procedures laid down for leasing the Department of Services and Property witness informed the Committee that the procedures had been followed insofar as the allowance made for two to three years' growth generally conformed with principles and standards laid down by the Department and that the normal steps had been followed to the point where funds to take the lease had been sought from Treasury. Up to that stage, procedures had been satisfactory, but when the reassessment due to the expenditure constraints intervened the amount of space allocated was reduced because it was at that time avoidable. The witness informed the Committee that at the time of the hearing (August 1973) the Department was experiencing difficulties in its Adelaide Office because of the lack of space resulting from the cutback in the growth allowance in 1971.

Qs. A11 to
A15, A19,
A20 and
A29

55. The Committee was informed that negotiations took place at this stage to change the date proposed by the lessor for commencement of the lease from 1 November 1970 to 1 January 1971. At the time when the then Minister for the Interior had approved the lease, the proposed date had appeared reasonable, but because of the delays and the real danger of losing the entire space if a compromise could not be reached, the decision was taken immediately following the in-principle approval by Treasury, to agree to commence the lease on 1 January 1971.¹²

Exhibit
153/A1 and
Qs. A25,
A27, A28,
and A30 to
A33

56. Having received the Treasury's approval, the Department of the Interior proceeded with the study to reduce the amount of space to be taken. The Department of Services and Property witness informed the Committee that his Department had needed from 4 February to 2 March 1971 to revise the layout plans and present them to the Department of Works. He explained that there were a number of reasons for needing this amount of time: because the total area to be allocated to his Department had been altered, the layout plans, therefore, had to be changed, involving the concurrence of the Public Service Inspector, Adelaide, and discussions with the local Inter-Departmental Committee on office accommodation; the need to take into account technical considerations such as the configuration of the building, the working inter-relationships between sections and sub-sections in the Department; and the need to allow for any space released to be in such a position that it could be used and have separate access for another department. The space was

Qs. A19, A20,
A34, A36 to
A38, A49 and
A50

12. Although this agreement to commence the lease on 1 January 1971 was in fact reached in January 1971 the Department of Services and Property informed the Committee that the lessor was not paid until two weeks after 20 May 1971, the date when the Treasury approval for funds required for rental was given.

Qs. A41 and
A42

eventually reduced by 2114 sq ft, this amount being the allowance for two to three years' growth that had been included in the original allocation. This, the witness informed the Committee, was the amount of space that could be released without prejudicing the operations of the Public Service Inspector or Interior.

57. Although the Department of Works was closely associated with the Department of the Interior (and the Public Service Inspector's Office) from October 1970 in assisting to resolve the layout requirements, it was not until the study requested by the Treasury had been completed and Interior had approved the revised layout plans on 2 March 1971 that Works had a positive scheme from which to calculate a firm estimate of the cost of the consequential work. The submission from the Department of Services and Property states that the cost estimate of \$33,000 for the approved layout was provided by Works on 18 March 1971, following which Interior, on 1 April 1971, applied to the Treasury for funds with which to pay for the cost of the works. Services and Property could not explain to the Committee the cause of the delay between 18 March 1971 when it had received the cost estimate from Works, and 1 April 1971 when the second application for Treasury approval of funds had been submitted. It was suggested that perhaps the Easter break may have been a contributory factor.

Exhibit
153/A1 and
GS. A47,
A48, A51
and A63

58. A delay of almost seven weeks occurred before the Treasury approval of funds was granted on 20 May 1971. The Treasury witness informed the Committee that this delay was a direct consequence of the expenditure constraints. He explained that at the time when the application was lodged on 1 April 1971, all such applications had to be approved specifically by Cabinet as part of the economy measures. Treasury realised that funds approval could not be provided any earlier but that other steps could be taken in the interim. To enable the Department of Works to proceed with the detailed design drawings which would

GS. A53, A54,
A56, A57,
A 59 to A61

be required prior to inviting tenders for consequential work, Treasury approved "design List A" status for these works.¹³ In fact, although Treasury had approved Design List A status on 23 April 1971,¹⁴ by the time funds approval was finally given on 20 May, the Department of Works still needed until 7 June 1971 before completing the working drawings and calling for tenders for partitioning and associated works.

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13. The Committee was informed that this is a status given under the civil works budgeting procedures which gives the Department of Works authority to proceed with the work to the tendering stage. Works emphasised the necessity for this procedure to the Committee by stating that it needed to prepare a fairly comprehensive set of working drawings and specifications which could include major mechanical and electrical services, and that such work takes time. To minimise delays, Works, in conjunction with the Department of Services and Property and client departments frequently anticipated processing of formalities when there were fairly clear indications that the proposal would be approved, so that when approval eventually came through, although possibly not completed, the documentation could be well advanced. Qs. A54 and A58
14. The Treasury was unable to provide complete information on the delay between 1 April 1971 and 23 April 1971, when the Treasury gave Design List A status to the Department of Works. However, it was stated that during this period telephone conversations did take place between Treasury and Works and efforts had been made to advance the job in the face of abnormal difficulties. Qs. A66 and A67

59. The Department of the Interior commenced temporary occupation of the area on 5 April 1971 without the partitioning and before work had commenced, so that effective use of the space could be made. As outlined above, the Department of Works needed a further three weeks following Treasury funds approval on 20 May 1971, to complete detailed documentation prior to inviting tenders on 7 June 1971. The Works witness explained further to the Committee that it took ten weeks from the time the work was given Treasury Design List A status to complete the documents, invite tenders, get the tenders in, consider them and accept one. The witness affirmed that his Department considered that this period was fairly normal and reasonable for such work. The Department of Services and Property stated that no further unusual delays occurred between the awarding of the contract on 2 July and the Department's occupation on 13 September 1971 of the space allocated to it.

Exhibit
153/A1 and Qs.
A55, A58 and
A68

60. According to evidence presented to the Committee the imposition of the expenditure constraints contributed directly to the delays experienced. The Department of Services and Property explained that under normal procedures the detailed examination and development of proposals are handled in State Offices and financial arrangements and processing of the proposal through to the Minister and the Executive Council are handled in the Central Office. Because on this occasion so much interest in additional expenditure was being evidenced by the Treasury, a much more detailed scrutiny of the plans and procedures at each stage took place at Central Office, thus adding to the time-consuming steps and resulting in deleterious delays.

Qs. A19, A23
and A24

(b) Public Service Board

61. Prior to the move to I.M.F.C. House in September 1971 the Public Service Board's Adelaide Office occupied in the Da Costa Building 6,396 sq ft, of which 4,652 sq ft was the general office of the Public Service Inspector and 1,744 sq ft was for the training and conference area. Because of the growth of Commonwealth activities in Adelaide, space occupied in that building by the Board's office and the Department of the Interior, was required to meet expansion by the Department of Works and Civil Aviation. The Board stated that it prepared preliminary layout plans in September 1970 when Interior opened negotiations aimed at leasing I.M.F.C. House and obtained preliminary cost assessments from Works in October 1970. The proposal given to the Chief Property Officer of the Interior was for 10,504 sq ft or roughly 1½ floors of I.M.F.C. House.
- Exhibit 153/A2
and Qs. A70
to A73, A83 and
A84
62. The Public Service Board stated that it received advice from the Department of the Interior on 5 November 1970 concerning Treasury reservations regarding the amount of space it had requested. The Treasury explained that the Board had not provided sufficient satisfactory justification for the amount of space requested in I.M.F.C. House. Detailed discussions were held between staff of the Board's Canberra and Adelaide offices to try to vary the amount of space required and as a result, Interior was advised on 2 December 1970, that the Board's requirements could be reduced by 1,000 sq ft by cutting down on the amount of space held for future expansion and by curtailing the space to be used for training/conference facilities. The Committee was informed that the Board offered to surrender this 1,000 sq ft to the lessor, but it was not acceptable to him, and
- Exhibit 153/A2
and Qs. A81,
A82 and A86
to A91

that, therefore, a decision was taken to use the space for some other part of the Public Service. The area offered by the Board was assessed by Interior and found to be unsuitable because of sub-letting difficulties including lighting, access and general suitability. Interior then asked the Board on 21 December 1970 to surrender an alternative 1,000 sq ft, which it did on 30 December 1970, having held further detailed discussions between its Canberra and Adelaide offices seeking satisfactory revised plans that would not affect the Adelaide Office's operating functions.

63. The Public Service Board stated that it had been invited to meet with representatives of the Treasury and the Department of the Interior for discussions. The Department of Services and Property explained that before this meeting, discussions had taken place by telephone between all the parties concerned, including local and central offices, in an attempt to get agreements on the amounts of space that could be relinquished by both Interior and the Public Service Board. It was decided at that stage that the best way to deal with the matter would be to bring all parties together at a conference. This meeting, which took place on 21 January 1971, concluded with an agreement by Treasury to provide a certificate of funds availability subject to a review of space requirements by both Departments. The Services and Property witness explained further that the overall objective of this review was to specify the amount to be surrendered, each Department's final layout plans, and the amount of space to be made available for sub-letting.

Exhibit 153/A2
and Qs. A92,
A94 and A95

64. The Committee was informed that the Public Service Board did not complete and submit this review to the Department of the Interior until 18 March 1971. The witness explained that this further delay occurred because of the necessity to start from scratch again, to re-layout the areas, develop new plans, and have them approved locally under the established system. The reduction was achieved, according to the Board's

Exhibit 153/A2
and Qs. A96,
A97, A99 and
A102

witness, only after trials and discussion of quite a number of alternatives. Interior was advised on 18 March 1971 that the Board's total requirements could be reduced from 10,504 sq ft to 9,175 sq ft. The Public Service Inspector was asked to submit detailed layout plans for this area for approval by Interior. Plans were submitted to Interior's South Australian Office on 23 March 1971, where they were amended slightly (reducing the area to 9,025 sq ft) and, following discussions with the Public Service Inspector, Adelaide, submitted to the Central Office for approval on 24 March 1971. This approval was given on 1 April 1971. On 19 April 1971 Treasury indicated that funds would be made available to enable the necessary partitioning and modifications to be carried out. (The Treasury witness explained that this indication was not a formal funds approval but an attempt to facilitate getting the documentation completed).

65. The Public Service Board informed the Committee that a request for necessary documentation and final cost estimating was forwarded to the Department of Works when Treasury indicated that funds would be made available. It was explained that although this formal request was not made until 19 April 1971, preliminary cost estimates had been given each time the drawings were revised, but that it was not possible to convey the request for a final estimate at an earlier date because final space allocation had still been subject to negotiations. Prior to receiving Treasury approval, the Board's witness explained, everything had been done to ensure that the process would work as quickly as possible, and in fact, as the Observer from the Auditor-General's Office confirmed, the Treasury explored the possibility of the Public Service Inspector's Office occupying the space on a temporary basis before the completion of partitioning but that because of the amount of public contact involved in the work of the Office this was considered impracticable. The Board confirmed this with a further explanation of the function of the offices as

Exhibit 153/A2
and Qs. A98,
A100 to A102
and A106

"front windows" especially in the recruitment of staff for departments.

66. The Department of Works witness informed the Committee that after receiving confirmation of the layout on 19 April 1971, the final estimate was calculated and sent to the Public Service Inspector's Office on 13 May 1971. He asserted that the time spent in finishing the estimate was not excessive for the type of work involved.

Qs. A103 to
A105

67. Formal approval for the provision of funds was given by Treasury on 26 May 1971. Tenders were called by the Department of Works on 7 June 1971 and a contract awarded on 2 July 1971. A "Certificate of Practical Completion" was issued by the Department of Works on 3 September 1971 and occupancy was effected the following day.

Exhibit
153/A2

68. When questioned on the main reasons for the delays in this particular case the Treasury witness replied:

"... I think it was Treasury's asking questions on this case contributed significantly (to the delays). We regard the inquiries as legitimate inquiries. Nevertheless, they came at the end of the piece. This has been recognised by the Department of Services and Property and ourselves ... we are now holding regular bi-monthly meetings to discuss cases coming forward ...

Q. A111

The other thing which was quite unavoidable was ... having to use new procedures in approving new funds commitments for works under the particular Budget restraints at that time".

(c) Department of Labour (now Labor and Immigration)

69. The Professional Employment Office of the Adelaide Branch of the Department of Labour and National Service occupied the Richards Building, when a decision was taken in February 1971 to seek alternative accommodation because of its cramped and otherwise unsuitable conditions. The Department, having heard from the Department of the Interior that there may have been some space available in I.M.F.C. House, submitted the 13th floor of that building and the 5th or 11th floor of the National Bank Building, for Interior's consideration as potentially suitable areas. Exhibit 153/A4 and Qs. A166 and A167
70. Action was initiated on 22 March 1971 to obtain a preliminary cost estimate from the Department of Works. The Department's submission states that also at that time, it sought supporting approval from the local Public Service Inspector for the space allocation of 1,372 sq ft. The Public Service Board Observer informed the Committee that advice was given on 29 June 1971 that the Board supported the fact that the area requested would be appropriate. Exhibit 153/A4 and Qs. A169 and A171
71. The Department of Labour informed the Committee that on 22 June 1971 it received the Department of Works estimate of costs and found that there was not enough in the new works and repairs and maintenance funds to meet this cost. On 28 September 1971 a revised plan was sent to Works since the Department felt that it had no hope of getting any further money from the Treasury in the current economic climate. Q. A175
72. Negotiations with several departments took place during the latter part of 1971, and between 10 and 17 November 1971 the Department of the Interior suggested that the purposes of the Professional Employment Office would be better met on the 9th Exhibit 153/A4 and Qs. A176 to A178, A181 to A184 and A187

floor of I.M.F.C. House rather than the 13th floor. The Committee was told that the Department happily accepted this change especially since the original request for an area on the 13th floor provided 1,372 sq ft and the area offered on the 9th floor was 1,478 sq ft. On 19 November 1971 the Department of Works was notified of the change of location and given a revised sketch of the partitioning required for a preliminary cost estimate. The Department's submission states that it received this cost estimate on 14 December 1971.¹⁵ Interior submitted the changes to the Public Service Inspector on 21 December 1971 and approval was given on 11 January 1972. The Treasury witness confirmed that it had not been necessary at that stage to consult the Treasury since it was not concerned with the layout plans as such.

73. Following receipt of the Public Service Inspector's support for the proposed layout of the ninth floor of I.M.F.C. House, negotiations with the Department of Works to fit out the accommodation were commenced on 14 January 1972 with the issuing of a works requisition for \$4,200. At this stage the Works Department on 20 January 1972 followed the normal processes and requested the Department of the Interior to contact the owner to ascertain any changes in tenancy work conditions.

Exhibit
153/A4 and
Qs. A185
and A186

74. Works explained that the delay between 20 January and 2 February 1972 when Interior advised Works that tenancy work could be carried out by any contractor or the Commonwealth, subject to the satisfaction of the Consultant¹⁶ did not have any serious bearings on or delay in the work that would have been progressing.

15. The Department of Works witness stated that his Department took a philosophical attitude towards these changes which it considered to be only minor.

Qs. A179
and A180

16. The Works witness explained that the reason for the work being placed in the hands of the Proprietor's Consultant Architect was that it was accepted practice for maintenance on services and buildings, whether it be air conditioning or electrical services be carried out by the contracting firm responsible for the initial installation.

Qs. A188 to
A190, A192
and A193

75. On 9 March 1972 a brief for the work covered by the proposal was handed to the Consultant by the Department of Works. The cost estimate of \$5,400 for the tenancy work was given to the Department by the Consultant on 10 April 1972. Works assured the Committee that the Commonwealth's interests were protected through the constant liaison between itself and the Consultant, and that the Consultant was not permitted to give prices or seek tenders until the work had been referred back to Works, which had to ensure that documentation had been carried out to defined requirements and would not exceed the amount of money allocated.

Exhibit
153/A4 and
Q. A194

76. The Department of Works admitted that it had not processed information concerning the requirement for additional funds, thus causing the delay between 10 April 1972 and 24 April 1972 when the Department of Labour and National Service was notified of the requirement for the additional \$1,200, and for much the same reason had delayed authorising the acceptance of selected tenders. Works wished to have it recorded that on becoming aware of the defaults admitted to during the hearings, it had instigated a check system to avoid the recurrence of similar circumstances. The Department of Labour informed the Committee that although the Department had full knowledge of the stages reached in the work, at no time were they in a position to prompt the Department of Works since they did not know the process well enough to recognise short delays when they occurred. The Department of Labour's submission stated that the supplementary works requisition of \$1,200 was provided on 26 April 1972 (that is, two days after Works notified the Department of this requirement) and on 28 April 1972 Works authorised invitation of selected tenders by the Consultant.

Exhibit
153/A4 and
Qs. A194 to
A196, A201
A202 and
A208

77. The Committee was informed that when the Consultant's tender documents were referred back to the Department of Works on 26 May 1972, they required certain alterations because some work had not been done properly. This work caused a further delay

Q. A196

before the return of the documents to the Consultant on 6 June 1972.

78. On 30 June 1972 tenders closed and the date for completion established as 11 August 1972, when in fact the contract was completed. The possibility was considered of occupying the accommodation in advance of partitioning and alterations but because of the nature of operations in the Professional Employment Office, involving continuous interviews and discussions of personal and confidential details with clients, this possibility was rejected. The Public Service Board Observer concurred with the Department on this matter stating that at that time the Public Service Inspector had agreed that it would have been impractical to occupy the premises prior to work completion.

Exhibit
153/A4 and
Q. A208

79. The Professional Employment Office commenced operations from its new premises on 21 August 1972 not 11 August 1972 when the work was completed. The reason given for this delay was the need to ensure that people coming for interviews were not misdirected during the changeover to the new premises.

Qs. A199
and A200

80. Treasury, when questioned about its apparent non-involvement in this matter, stated that since the lease approval had been straight-forward and since the Department had the required amount of funds approved except for lease commitments which was provided when requested, there had been no reason to approach the Treasury.

Q. A204

(d) Department of Social Security

81. On 13 August 1971 the Chief Property Officer, Department of the Interior, South Australia, proposed to the Director of Social Services South Australia, that office accommodation occupied by the Department of Social Services on the 7th Floor A.M.P. Building, Adelaide, be vacated in favour of the Attorney-General's Department. The Deputy Crown Solicitor's staff already occupied a section of the seventh floor and acquisition of the Social Services space would enable a consolidation of all the Deputy Crown Solicitor's staff in the one area. The proposal envisaged compensating the Department of Social Services for the loss of space in the A.M.P. Building, by allocating it 720 sq ft of floor space on the twelfth floor in I.M.F.C. House, Adelaide. Exhibit 153/A3
82. The Department of Social Security informed the Committee that the initiative for this move had not come from the Department, nor did the Department take part in any discussions prior to the offer made on 13 August 1971. When the offer was made the Social Services Director inspected the area on that day and agreed that it was comparable in size, of a slightly better standard, and approximately the same rental as premises already occupied and, therefore, suitable for the Department's purposes. He had then indicated to the Department of the Interior that provided there was somewhere to go his Department would be prepared to move when asked to do so. Qs. A132, A133,
A135 to A138
and A157
83. The Department of Services and Property informed the Committee that it had been approached by its Adelaide Office requesting that the Treasury be asked for its agreement to the proposed action (i.e. lease of the 720 sq ft to the Department of Social Services). The Treasury was approached on 18 August 1971 and advised of its support for the proposal on 9 September 1971. After what was described as the usual time-lag in Exhibit 153/A3
and Qs. A139 to
A141, A143,
A145 and A146

communications between Canberra and Adelaide, this information was conveyed to Social Services on 20 September 1971 by the Chief Property Officer from Interior's Adelaide Office. On receipt of this advice, Social Services commenced its preparation of layout plans as required by Services and Property. The Department of Works informed the Committee that since the space had already been partitioned it had not been consulted in the preparation of the layout plans. It was, however, advised of what was happening.

84. The Department of Social Services was advised on 8 October 1971 by the Chief Property Officer, Adelaide, of his approval for the transfer for record purposes, of responsibility for the 720 sq ft area from the Department of the Interior to Social Services. Interior then undertook to have the required work done instead of leaving it to the occupying Department. This work involved providing telephone services which required arranging to get permission from the owner of the building to have hole penetration points put in prior to the installation of the telephones. The owner and his consultant architect arranged for a contractor to drill the holes in the floor to enable the P.M.G. Department to provide the services. The Department's submission states that when it was informed on 21 October 1971 that the premises were available for use, it contacted the Department of Supply and made arrangements for the transfer on 28 October 1971 of furniture and fittings, from the A.M.P. Building to I.M.F.C. House. This took place as arranged and the Department moved in while the telephones were being connected.

Exhibit 153A3
and Qs. A147,
A149 and
A151 to A153

85. Rent was paid by the Department of Social Services from 1 November 1971, the lease having been Interior's responsibility from 1 January 1971. Thus Social Security did not pay any 'dead rent'. The Committee was assured

Qs. 154 to
A156, A158
and A160 to
A162

that although there had been a two month delay between the time Social Services had been asked whether it wanted the space until it moved in, so far as Social Services was concerned, it had not been inconvenienced since it was comfortable in the A.M.P. Building. This point was supported by the Audit Office Observer, Mr Ragless, who explained that the Department's role had been a passive one since the whole process consisted of a re-allocation of the space that was saved as a result of the reductions brought about by Treasury representations to Interior and the Board (see Chapter 4(a) and 4(b)).

CHAPTER 5

OCCUPATION OF CALTAN HOUSE, SYDNEY

Department of Transport

86. The Department of Shipping and Transport N.S.W. Offices sought new accommodation in March 1969 because of inadequacies in its then existing premises,¹⁷ and the knowledge that co-location of the Regional Office, the Shipbuilding Division and the Ministerial Offices would result in benefits associated with the centralisation of common services to these three separate but related areas. In April 1969 the Department sought approval to occupy premises in Underwood House (Pitt Street), but the then Minister for the Interior rejected this proposal in August 1969 on the grounds of the \$6 per sq ft per annum rental costs involved. Consideration was given at Ministerial level as to whether the Department should be accommodated in, or in close proximity to the City, or in the suburbs. In October 1969 Interior wrote to Transport drawing their attention to eight other buildings in the Sydney and North Sydney areas which might be suitable. Discussion then took place between Transport and Interior

Exhibit
153/B2 and
Qs. B148,
B155 to
B157, B159,
B160, B163
and B164

17. The Department of Transport's submission elaborated on these inadequacies as follows:

"(a) The Regional Office (9,993 sq ft of office space):

The then existing offices (5 Hickson Rd. Millers Point) were in a sub-standard building and there was insufficient space to provide conference facilities for either Departmental or Ministerial purposes. The visiting officers' area was unsuitable for use by the Permanent Head or his staff when operating from the Regional Office.

(b) The Shipbuilding Division (13,874 sq ft): This Division of the Department (located at Kembla Building, 58 Margaret Street, Sydney) was operating under most adverse conditions. This was particularly so in the drafting areas.

(c) The Minister and staff: The then existing offices (Parliamentary Offices, Martin Place) were inadequate and inefficient. There was no waiting space for visitors...no facilities for the Private Secretary to conduct confidential interviews.... The Press Secretary was located in a remote area at the other end of the building."

Exhibit
153/B2
Committee
File 1973/3
and Qs.
b165 to
B168

the outcome of which was an agreement in principle by the Minister for the Interior in March 1970 that the Department lease office space in North Sydney. Caltan House, Milsons Point, was then adjudged by the Department as being suitable for its needs. At that time the building was under construction with completion planned for October 1970. A lease for 28,140 sq ft was approved by Executive Council on 12 June 1970.

87. The Department of the Interior notified the Department of Shipping and Transport on 6 April 1970 that floors three to nine of the Caltan building would be available subject to successful lease negotiations, and that in anticipation of this, the Department was to submit layout plans as soon as possible. This the Department did and on receipt of the plans the Department of the Interior set up an Inter-Departmental Committee comprising the Chief Property Officer (Interior), the Public Service Inspector (N.S.W.), the Department of Works and the client Department to consider and, where necessary, to amend the proposed layout. The Treasury witness did not think that there had been a need for his Department to be represented on the I.D.C. at that time.

Exhibit
153/B2 and
Qs. B170
to B173

88. Following consideration by the Inter-Departmental Committee over a number of meetings, general agreement was reached on all floors excepting seven and nine.¹⁸ The particular issues over these floors were not resolved and it was left on the basis that the Department of Shipping and Transport would return to the Department of the Interior with further argument or, if necessary, amended layouts. Plans for partitioning floors three to eight were approved by Interior on 20 October 1970, with floor nine deferred for further consideration.

Exhibit
153/B2 and
Qs. B178
and B179

89. The detailed specifications and decor recommendation for all floors together with furniture requirements were forwarded to the

Exhibit
153/B2 and
Qs. B180 to
B184

18. The Committee was told that floor 9 was for the use of the Minister, Permanent Head, Chairman of the Australian Shipbuilding Board, and meetings of the Board.

Department of Works during October and November 1970. During December the final plans were drafted by Works and the final detailed modifications made by the Department of Shipping and Transport. The first estimate of costs were received from Works on 4 January 1971 and the cost estimates for furniture on 22 February 1971. Works informed the Committee that given the type of negotiations required with the building owner, the modifications being made, and the complexities of the job, the time taken to provide the cost estimates was a reasonable one. The extra six weeks had been taken on the furniture cost estimate because it was not conceived as being the type of thing to delay ultimate occupation. Having received the cost estimates the Transport Regional Office forwarded on 15 January 1971 a request for funds of \$192,000 to its Central Office. This was passed on to the Treasury on 4 February 1971. In response to a query concerning the delay between 15 January and 4 February 1971, the witness was not sure of the explanation for the application for funds not being made immediately on receipt of the cost estimates.

90. On 11 March 1971 the Treasury wrote to the Department of Shipping and Transport asking it to re-examine its requirements with a view to providing substitutions within the approved repairs and maintenance programme, and inviting the Department's attention to the possibility that in view of the magnitude of the proposed expenditure Treasury might need to refer proposals to the Cabinet for its endorsement. The Committee was assured that the then current expenditure constraints caused this intervention by the Treasury, and that normally it is only a matter of some significance which would be referred to the Treasurer. Transport replied on 25 March 1971 explaining that because of its normal operating requirements the substitution in the repairs and maintenance vote of an amount of \$192,000 would be precluded, but that savings were being effected to a net value of \$333,000 under another Division. The Department then restated its accommodation requirements. However, the Treasury took the view that the proposal still seemed to be extravagant and, therefore, brought it to the Treasurer's notice. On 13 April 1971,

Exhibit
153/42 and
Qs. B185 to
B197

the Treasurer wrote to the Minister for Shipping and Transport reiterating his doubts about the proposal and asking the Minister to confirm that it was necessary for the work to proceed, and asking him to indicate to the Treasurer the basis on which the Treasurer might support the proposal in Cabinet.

91. In the above mentioned letter of 13 April 1971, the Treasurer approved the expenditure of \$149,000 for floors three to eight, and a requisition for this amount was then issued on the Department of Works for partitioning and associated works on 23 April 1971. Subsequent to this on 14 May 1971 the Regional Controller N.S.W. (Department of Shipping and Transport) wrote to Works advising that certain priorities were involved and asking for an estimated completion date for each priority.¹⁹ Works advised that tenders had been called for floors three to eight on 12 July 1971. The Works witness explained that having regard to the amount of work which had to be done with respect to finalising layouts, writing specifications, checking out services, arranging for the submission through the building owner of plans to the State Planning Authority, the North Sydney Municipal Council, who required to have that approval before work could start, and the fact that up to the stage of getting the requisition there was uncertainty as to the future of the job, his Department felt that in these circumstances it had not delayed unduly in calling for tenders on 12 July 1971.

Exhibit
153/B2 and
Q. B202

92. Following the advice to the Department of Shipping and Transport of the calling of tenders the Department of Works advised they had no record of the Regional Controller's letter dated 14 May 1971 and, therefore, no priorities had been laid down in the tender documents.²⁰ Tenders were due in on 22 July 1971 and the contractor

Exhibit
153/B2 and
Qs. B214
and B215

19. The Committee was informed that these priorities were:
Priority 1 - PABX equipment
2 - Floors 6, 7, 8 (part) and roof antenna
3 - Floors 3, 4, 5, 8 (remainder)

Exhibit
153/B2

20. The Committee was informed that neither the Department of Shipping and Transport nor Works knew of the whereabouts of this letter. Transport indicated that at least one copy did reach its destination since there was one on the Shipping Division file. It was further explained that a system exists whereby correspondence into Transport is acknowledged within two weeks and a similar system whereby certain types of correspondence, such as applications for employment are acknowledged in Works. It could not be determined whether the letter in question had been sent out by mail or delivered by hand.

Qs. B203 to
B213

should complete the work within sixteen weeks of signing. A tender for partitioning floors three to eight was subsequently accepted on 9 August 1971 with Max Cooper & Sons Pty Ltd. The Department of Works indicated that some of the work did begin immediately. The Committee was advised that a similar set of steps occurred regarding floor nine. The Department of Works provided revised layouts on 5 May 1971, the Treasurer advised the Minister for Shipping and Transport of approval for \$44,000 in respect of the revised layout on 21 July 1971, a requisition for that amount was issued on Works on 11 August 1971 and tenders for preliminary work for floor nine (i.e. plumbing and sprinklers etc.) were called on 18 October 1971. Works stated that having regard to the circumstances²¹ the delay of two months in calling for tenders was not an unreasonable one.

93. Although the expected building completion date had been October 1970 there were delays in its construction causing progressive deferment of the completion date. The Committee was informed that the building was finished in late February 1971 and a certificate of practical completion issued, whereupon the lessor pressed for the signing of the lease and payment of rent. Since at that time there were no options on other leases open to the Department of the Interior rental was agreed to as from 1 March 1971. On 18 May 1971 the Chief Property Officer N.S.W. advised that rental had been paid since 1 March 1971 and asked that occupancy be effected in advance of partitioning where possible. The Department of Shipping and Transport replied on 11 June 1971 that it was not practicable to occupy the building in advance of partitioning.

Qs. B198
to B201

94. The Department explained at length in its submission and in its evidence to the Committee the reasons for delaying occupancy until the completion of partitioning. These reasons included the

Exhibit
153/B2 and
Qs. B227,
B228, B242
and B248

21. The witness explained that the contract for the ninth floor had been held up pending replacement of carpet. The carpet used by the contractor was not acceptable, it being of a synthetic nature whereas a wool carpet had been required by the then Minister. He added that since partitioning could not commence on the ninth floor till re-carpeting was complete the Department had not invited tenders since there seemed no point in doing so when the successful tenderer would not be able to proceed with the job.

Qs. B217
to B226

important functions of the Marine Operations Centre involving responsibility for co-ordinating search and rescue operations during emergencies at sea, the responsibility of the Regional Office in conducting examinations for certificates for competency etc., and the interdependence of the design, production and administration section of shipbuilding operations. These responsibilities made it essential that the operations be conducted from a properly equipped centre which included telephone, telex and recording equipment together with adequate partitioning. The Department further explained that it had been because of these factors that priorities for partitioning and fittings on floors three to eight had initially been requested. When it had been discovered that the letter requesting the priorities arrangements had been misplaced Works informed Transport that it would discuss the arrangements with the successful tenderer so that the shift into the new accommodation could still be made progressively as early as possible.

95. On 13 October 1971 the Department of Works advised the Department of Shipping and Transport that the provisional completion dates nominated by the building contractor were between 29 October 1971 for the third floor and 3 December 1971 for the eighth floor with the intermediate floors being progressively completed during that five week period. However, Works further advised that it should not be assumed that these dates were more than targets which labour troubles could alter. In fact, the Committee was informed, partitioning on floors three to eight were completed by 3 December 1971, although some delays had occurred in respect of the intermediate dates advised on 13 October 1971, because of industrial problems. Exhibit
153/B2

96. The Regional Controller, N.S.W. wrote to the Department of Works on 19 October 1971 advising that as floor eight was not expected to be completed until 3 December 1971, progressive occupancy as referred to in its letter of 14 May 1971 would not be possible. The reason for this was that the partitioning on floor eight included the Marine Operations Centre, the Masters and Mates Examination Room and the Sight Exhibit
153/B2

Test Room which were key events in the occupancy programme.

Attention to priority 2 items was requested to enable the Regional Office to move as soon as possible. In the event PABX equipment was connected on 4 December 1971 and the Regional Office transferred to the new building on that and the following day, and the Shipbuilding Division transferred one week later.

97. The Department of Works advised the Department of Shipping and Transport on 17 February 1972 that tenders for partitioning and associated works on floor nine would close on 29 February 1972. On 10 March 1972 a tender was accepted from Lecon Modular Finishes Pty. Ltd. The Committee was informed that partitioning was completed and the ninth floor available for use by the Minister, Permanent Head and Chairman of the Australian Shipbuilding Board on 20 July 1972. When queried on the four months involved to complete the ninth floor, Works explained that this work involving as it did the ministerial suite had to be of a high quality and, therefore, took a bit longer. In addition, service complications had occurred with air-conditioning, plumbing and lighting and these inevitably took longer than the normal offices.

Exhibit
153/B2 and
Qs. B229
to B233

98. The Committee was informed that "dead rent" of approximately \$105,000 was paid from 1 March 1971 to 4 December 1971, when the move took place. It was further noted that partial occupancy would not have resulted in any consequential cost savings because the vacated accommodation would have been unsuitable for occupancy by other Commonwealth users. The Department of Services and Property agreed with the Transport view that the accommodation was definitely sub-standard.

Exhibit
153/B2 and
Qs. B243
to B247,
P249 and
B250

CHAPTER 6

OCCUPATION OF STOCKS AND HOLDINGS HOUSE, SYDNEY

Department of Overseas Trade

99. The Department of Trade and Industry Sydney Office occupied 21,800 sq ft in the A.N.Z. Bank Building, 68 Pitt Street, Sydney, under a five year lease from November 1965. The Department had not expected that it would be required to vacate the premises, until it was notified in July 1970 by the Department of the Interior that, because the Minister for the Interior was finding it most difficult to agree to any leases in excess of \$5 per square foot per annum, and considering that the landlord was now seeking to increase the rental from \$5 to \$10 per sq ft (or from \$109,000 to \$218,000 p.a.) as from the period of lease renewal in November 1970, the Department was, therefore, advised to seek alternative accommodation. Because of the Department's high level of contact with businessmen in the city area of Sydney and other capital cities, and the very large numbers of overseas visitors both government and industry representatives of other nations who came into the Department's premises, no thought was given to decentralisation of the office to the suburbs. Therefore, on 26 March 1971, after consideration of several buildings suggested by the Department of the Interior, the Department of Trade and Industry sought the leasing of 24,000 sq ft in Stocks and Holdings House, then under construction at 175-183 Castlereagh Street, Sydney, despite the building's accommodation standards, which the Department admitted to the Committee, were less than ideal. The Minister for Trade and Industry supported this proposal which included a projected growth entitlement that would require more space than was available in the A.N.Z. Bank Building.

Exhibit
153/B1 and
Qs. B3, B4
B6, B7, B9
to B11 and
B71

100. Preparation of office layouts began in early April 1971 and on 28 April the Department of Works produced drawings which were examined by the Department of Trade and Industry (Canberra) and returned with amendments. Works then calculated

Exhibit
153/B1 and
Qs. B8 and
B35 to B38

a rough approximation of an estimate of the cost of the layouts as they were then. This figure of \$140,000 was passed on from the Department of the Interior to Trade on 19 May 1971 with the advice that Trade must obtain the funds and to the Treasury on 1 June 1971 with a request for approval to lease the space. Trade then sought on 21 May 1971 confirmation of this amount from Works and requested a detailed breakdown of the costs. However, Works on 7 June 1971 refused to give a breakdown of this nature till the layout had been approved because as Works explained to the Committee: "The layout....was under continuing discussion at the time ... so that we rightly or wrongly felt that a break-up would not really be very meaningful". On this point the Works witness could give no reason for his Department's two week delay in replying to the Trade request of 21 May 1971.

101. The layout plans for Stocks and Holdings House were under continual revision from early April 1971 till February 1972 when the final plans were submitted to the Department of Works for final costing. The following paragraphs set out the main steps which occurred in getting agreement to the layouts between the departments involved - Trade and Industry, Interior, Works and Treasury, and the Public Service Board.

Exhibit
153/B1
and Q. B39

102. The Department of Overseas Trade explained that both of the Ministers involved had very strong views on the standard of accommodation for regional offices, these being the Department's representational front door. Thus all of the Department's accommodation plans in the regional offices were agreed to either by the Permanent Head or the Minister. The Department of Services and Property agreed that plans of this kind often involve agreement at Ministerial level. On 24 May 1971 a layout of the Executive area was forwarded overseas for the then Minister's and Secretary's approvals, and again on 7 June 1971 a redesign was despatched overseas. The Department explained that because of the change

Exhibit
153/B1 and
Qs. B12,
B45, B46,
B49 and B67
to B69

in both the Minister (from Sir John McEwen to Mr Anthony) and the Permanent Head (from Sir Alan Westerman to Mr McKay) the original set of drawings required changes to suit the new occupants. The changes were fundamental involving actual floor layout of the executive suite and the location of rooms and entrances. When the plans were forwarded to Works on 20 July 1971 they had the approval of the Minister and the Permanent Head.

103. On 2 June 1971 the Department of Trade and Industry (Canberra) submitted the latest layouts to Trade (Sydney) for comment and discussion with the Departments of Works and Interior, and on 11 June 1971 these were returned to Canberra with suggested amendments. These were worked out in fairly minute detail so as to comply with Interior directions on standards and location, people, etc., discussed with Interior and forwarded to Works for preparation of working drawings on 20 July 1971. On 18 August 1971 Works advised Trade that the layouts required amendments to comply with fire regulations, reduce noise interference, meet requirements for air conditioning and, meet Interior's direction to reduce certain office areas. When questioned on these deficiencies the Department of Overseas Trade contended that initially certain technical information was not known when the layouts were submitted - possibly because the building was still being constructed. On its part Works submitted that it had not been involved in the preparation of these layouts until 20 July 1971, and there had, therefore, been no opportunity to fit the plans to the building. Since there was a need to integrate the layout with the functional arrangements of the building, it became necessary to alter layouts because of the insufficient fire exits and the requirement to reduce noise transmission. According to the witness from Works the blame for these occurrences lay in: "The lack of co-ordination between the two departments....There seems to be an area that is ill-defined as to who makes the decision that that is the layout." On 24 August 1971 discussions took place between Trade (Sydney) and Works to resolve the above

Exhibit
155/B1 and
Gs. B47,
B48 and
B52 to B55

problems and deficiencies; revised layouts based on these discussions were submitted to Works on 26 August 1971.

104. Between 7 September 1971 when the Department of Works delivered plans of the final revised layouts to the Department of Trade and Industry (Sydney) and the end of September when these were returned to Works and submitted to the Department of the Interior for its approval, the plans were passed between Trade's Sydney and Canberra offices. These revised plans were then criticised by Interior on 5 October 1971 in respect of areas allocated to the Permanent Head and other senior officers of the Department and other Sections. When questioned on why these differences had not been ironed out during earlier discussions the Department of Services and Property stated that it had taken part in meetings on layout plans on 2 April 1971, 23 April 1971, and on 17 June 1971, where Trade had proposed alterations to the plans, at its Canberra Office request. The witness explained that his Department had, therefore, been at this stage, in the position of waiting for these to go to Canberra and come back before discussion. The Department of Overseas Trade pointed out to the Committee that the regional offices, such as the one in Sydney, are not administrative but operational, and that accommodation matters are handled by the Central Office in Canberra.²²

Exhibit
153/B1 and
Qs. B59 to
B62 and B64

105. On 12 October 1971 the Department of Trade and Industry (Sydney) replied to the Department of the Interior's criticism giving reasons for areas sought based on status of officers, contact with public officials, and limitations found in the A.N.Z. Bank location, and advising that changes to the plans would not produce space that could be effectively used as the areas were difficult to layout and various alternatives had

Exhibit
153/B1 and
Q. B76

22. The Departmental witness stated that two establishment proposals on the matter had been put to the Public Service Board.

Qs. B65
and B66

already been considered. On 25 October 1971 Interior accepted Trade comments but suggested that cost savings could be achieved by using "open planning" wherever possible, that the Works Department be fully briefed, and consideration be given to staggering the move.²³ Trade advised Interior on 10 November 1971 that open planning had been used wherever practical. The Department of Overseas Trade informed the Committee that half of the first floor was largely open, where the library, a large compactus and an information cell were housed. The other half of the first floor contained the ministerial suite, Permanent Head's suite and the Regional Director and his immediate staff - all of whom required rooms of their own thus precluding open planning. The second floor comprised several central office sections all with extensive dealings with companies which, therefore, also precluded open planning.

106. The Department of Trade and Industry also informed the Department of the Interior on 10 November 1971 that it was not considered practical to occupy all or part of the building until partitioning was installed but it was made clear during the Inquiry that in fact the building had been occupied on a progressive basis as the floors were completed, and in some areas while partitioning was still being erected.

Qs. B76
to B79

107. On 19 October 1971 the Department of Works advised the Department of Trade and Industry (Sydney) that the preliminary estimate of costs for the plans was:

Exhibit
153/B1 and
Qs. B80 and
B81

First Floor	-	\$93,600
Second Floor	-	\$35,000
Third Floor	-	\$24,000
		<u>\$152,600</u>

23. It was stated that Interior had sent to all departments a general circular in August 1970 pointing out the advantages of using open planning method rather than partitioning premises.

Q. B73

and that a requisition for \$152,600 would be required before work could proceed. Works considered that the breakdown given was sufficient for Treasury's approval. Trade (Sydney) advised Trade (Canberra) on 27 October 1971 that it had been informed that Stocks and Holdings anticipated the building would be ready for occupancy on 1 November 1971 and that rental would be due and payable fourteen days from that date, and that an urgent application for funds should be made to the Treasury. Trade (Canberra) sought funds from the Treasury for \$152,600 against Division 584/1/22 on 3 November 1971. The Department was unable to give an explanation as to why there was the delay between 19 October and 3 November 1971 in seeking these funds.

108. On 3 November 1971 Interior-approved plans were sent to the Department of Works and the latter notified of the funds request to the Treasury. On 5 November 1971 the Department of Trade and Industry (Sydney) advised its Central Office that Interior had received a request from the Treasury to reduce the space allocated by 3,000 sq ft. The Committee was informed that the Treasury query on the 3,000 sq ft had originally been made with Interior in about June or July 1971 but that Trade had not been notified of it till November of that year; in fact the Treasury sought from Trade, official clarification of the reason for the extra 3,000 sq ft (compared with the A.N.Z. Bank Building) on 18 November 1971. On 23 November 1971 discussions were held between the Central offices of Trade and Interior to reduce the area by 3,000 sq ft on the basis that a reduction in the area was essential before approval would be given. As a result of these discussions Interior proposed a reduction of between 2,500 and 3,000 sq ft and three days later the Sydney and Canberra Offices of Trade held discussions to revise the layouts. The agreement to reduce the area by 3,000 sq ft required almost a complete redrawing of the layouts because of the substantial nature of

Exhibit
153/B1 and
Qs. B27,
B74, B75,
B84 and B86
to B93

the area. The Department had provided for a degree of growth in the organisation itself throughout the various sections; these surplus areas were removed so that no growth provision remained. The aggregate 3,000 sq ft which was dispersed over the 2½ floors was provided for on the third floor by moving elements of various sections onto the other two floors.²⁴

109. On 6 December 1971 the Department of Trade and Industry officially advised the Treasury that because of the Government's restraint policy, the increases in accommodation which had originally been sought to meet increases in the Sydney office establishment would be reduced by approximately 3,000 sq ft to give a total area of 21,900 sq ft. On 8 December 1971 the revised layouts were forwarded to Trade (Sydney) for comment and were returned on 13 December 1971 with some suggestions which were incorporated in the final plans and returned to Sydney on 16 December 1971 for discussion with the Department of Works. That Department had not been a party to the discussions on the reduced area before, since the major problems on the Works side had been resolved earlier. The final revised plans were sent to Works on 23 December 1971.

Exhibit
153/B1 and
Qs. B27
and B86

110. In addition to the space query on 18 November 1971 Treasury also advised the Department of Trade and Industry that as no Budget provision had been made and because of the Government's expenditure restraints the Treasurer's approval for the expenditure was required. The Department of the Treasury explained that no budget provision had been made because at the time - April/May 1971 - the proposition was not sufficiently determined to satisfy the estimates criteria.

Exhibit
153/B1 and
Qs. B27
and B82

24. The Committee was informed that the 3,000 sq ft had been leased by the Department of Customs and Excise on the basis that it be made available to Trade as growth space in the future.

Q. B89

111. The Treasury also at this time sought clarification from the Department of Trade and Industry as to why there was a difference in the setting-up costs of the first and second floors when the areas to be leased were the same.²⁵ On 29 November 1971 Trade (Canberra) sought information from the Department of Works to satisfy the Treasury query on this matter and advised Treasury of this action on 6 December 1971. On 23 December 1971, Works provided a list of the items (but not the costs) involved in the floor cost differences sought by Treasury. As the information was based on the old plans, and not on the plans for an area of 3,000 sq ft less (Works did not receive these new plans till that day), Works was asked to provide up-to-date details. On 7 January 1972 the Treasury requested Trade to obtain urgently from Works a revised estimate of the setting-up costs for the reduced area, and the reasons for the difference in cost between the first and second floors. Trade (Canberra) advised its Sydney Office of Treasury's latest communication and requested that Works be informed that Treasury would not authorize funds until cost estimates were received and that since funds submission must go to the Treasurer all details should be provided to facilitate approval.

Exhibit
153/B1

112. The Department of Overseas Trade in its submission to the Committee stated that between 10 January 1972 and 26 January 1972 its Sydney office contacted the Department of Works by telephone on numerous occasions to obtain the information for the Treasury. The Department of Works was not able to inform the Committee of whether it could have provided the information requested, earlier than 27 January 1972. On that day works

Exhibit
153/B1 and
Cs. B94
and B95

25. The Committee was informed that the main reason for the difference was the quality of the accommodation. The first floor comprised the Ministerial and Permanent Head suite, libraries, and compactus area, with particular requirements of security and sound-proofing, which did not apply to the second and third floors. The second floor was partially open planning and the third floor almost all open planning.

Q. B85

provided the following cost details and requested a requisition for this amount to allow work to proceed:

First Floor	-	\$88,700
Second Floor	-	\$36,300
Third Floor	-	\$14,000
		<u>\$139,000</u>

113. The Department of Trade and Industry (Sydney) advised its Central Office of the cost details and forwarded copies of the latest plans from the Department of Works together with the statement that Works believed that the breakdown of costs supplied would be sufficient for the Treasury's purpose and that Works proposed to advise the Treasury to this effect. It was explained to the Committee that there had been a breakdown in communication, that Works had not advised the Treasury that some of its requests could not be meaningfully estimated: whereas Works could supply only a floor-by-floor breakdown of costs, the Treasury was seeking an itemised account. The matter was resolved by a telephone call between Works and Treasury, and at that stage Trade (Canberra) on 11 February 1972 advised the Treasury of the latest setting up costs of \$139,000 and forwarded copies of the Works memoranda of 23 December 1971 and 27 January 1972 on the break-up of the floor costs.

Exhibit
153/B1 and
Cs. B96
to B98

114. The Treasury, at this stage, queried the Department as to whether or not any further savings could be made. Discussions then took place between the Departments of Trade and Industry and Works on the installation of a stove (approximate cost \$100) for the Minister, and the consequent exhaust system costing \$6,000. It was explained that although the Minister had requested the stove and although at the time it had appeared to be a reasonable request the consequences of installing it - that is, the cost of \$6,000 for exhaust ducting that would be required - had not been considered. A decision

Exhibit
153/B1 and
Cs. B27
and B99
to B110

was taken, therefore, not to install the stove. It was pointed out to the Committee that this was another example of the lack of consultation between the relevant Departments at the crucial initial stages. Works then assured the Treasury that no other significant savings could be effected. The Treasury on 3 March 1972 advised Trade by telephone that a submission seeking funds was to go to the Treasurer the following week.

115. On 6 March 1972 the Department of Trade and Industry (Canberra) informed the Treasury that the Department of Works required the funds before proceeding further and expressed its concern for urgent approval of funds since a delay of five months would occur before occupancy during which double rent would continue to be paid. The Treasury in reply on 14 March 1972 echoed this concern and commented on the delay which had occurred in providing an explanation of the difference in the cost of works on the first and second floors, and the cost of the first floor. It then approved an increase by \$133,000 in the Repairs and Maintenance Programme under Division 584/4/22. On the following day Trade (Canberra) issued a requisition on Works for that amount and forwarded it to Trade (Sydney) for delivery to Works by hand. The requisition was received by Works on 20 March 1972.

Exhibit
153/B1

116. The Department of Works informed the Committee that having received the requisition, documentation could then be completed. Some of this had been done before but to avoid abortive work which uses up resources the Department had not proceeded to finality with documents before the receipt of the requisition (Works provided four layouts prior to the approved one). The Department of Works informed the Department of Trade and Industry on 29 May 1972 that because

Exhibit
153/B1 and
Qc. B40 and
B112 to
B114

of work pressure and air-conditioning delays²⁶ the date of occupation would be the end of September 1972 and not the end of July. Trade then wrote to the Department of the Interior and Works suggesting that an outside consultant be hired to complete the work quickly if pressure of work in the Department of Works would cause delay. Works replied giving reasons for the delay, provided further information on alterations, documentation and tendering, and advised that double rent could be minimised by staggering the occupancy or moving before the partitioning was finalised. On the following day, 8 June 1972, Interior advised Trade of a similar set of information. On questioning on this example of apparent lack of co-ordination the Department of Services and Property stated that at that stage it had been doing everything possible to help, and that since departments often used it as a go-between, Services and Property were quite willing to act in this capacity.

117. On 16 June 1972 a meeting of all parties concerned took place to consider means of advancing the date of occupancy. Additional funds to accelerate the Works programme were not sought because it would not have achieved the desired end since the necessary commitments had already been made. At the meeting it was decided that occupancy would be on a progressive basis, the Department of Works would place the partitioning in to fit the telephones so that instead of completing an entire

Exhibit
153/B1 and
Qs. B28,
B116, B124
and B125

26. The Department of Works explained as follows:

"The main delay...was not so much with the consultants but the arrangements for carrying out the air conditioning alterations. It was a requirement of the building owners that we used their contractor for the air conditioning work and we negotiated a price for this air conditioning work from their contractor and before these negotiations were brought to finality he refused to do the work. There was a delay of ...a month to six weeks involved in correcting this situation." The tender for the air-conditioning alterations was \$23,683.

Qs. B111
and B118
to B123

floor, a portion of partitioning would be done so that the telephones could be put in and then the remainder of the partitioning could be completed around the people. In order to expedite matters the Department of Trade and Industry on 19 June 1972 provided a progressive occupation schedule to allow Works to arrange the partitioning contracts accordingly, and on 21 June 1972 it advised that the P.M.G's Department could provide telephone extensions when partitioning had been erected and it wished to install the PABX as soon as possible.

118. The Committee was informed that progressive occupation depended on partitioning²⁷ and that the telephones could not be connected until the partitioning schedule was determined. The Department of Works advised the Department of Trade and Industry (Sydney) that partitioning tender prices would be available by 4 July 1972. Trade (Canberra) asked that Works expedite completion of the project when the price for the supply and erection of partitioning was received on 7 July 1972.

Exhibit
153/B1 and
Qs. B126
to B131

119. A proliferation of minor but time-consuming delays plagued the project between July and September 1972: a delay occurred in the partitioning programme because of damaged carpet²⁸ the P.A.B.X. installation was delayed because vinyl

Exhibit
153/B1 and
Qs. B27,
B126 and
B131

27. The air conditioning, or the insulation of the air conditioning controls, had to await the fixing of the partitions because these were fixed to the partitions.

Q. B128

28. The Department of Works witness stated:

Q. B126

"The sprinkler contractor spilt some oil on a section of the carpet and it was a question of determining responsibility, and determining who was going to clean the carpet. Quite frankly, this was one of the silly things that happen and should not."

tiles in the PABX room had not been laid,²⁹ the partitioning contractor experienced delays because of the then current oil strike; the partitioning contractor's plan omitted to show the hole in the second floor for the telephone cable so the hole had not been drilled when the P.M.G. came to install the cables;³⁰ metal joining strips used in the partitioning were not available hence the PABX room could not be erected and telephones could not be connected.³¹

120. The Committee was informed that when the lease was agreed to on 19 May 1971 the likely occupancy date was seen as November of that year - the time from which rent would be payable. Stocks and Holdings Limited had informed Interior on 15 October 1971 that they anticipated the building would be ready for occupancy on 1 November 1971 and that rental would be payable fourteen days from that date.³² On 6 December 1971

Exhibit
153/B1 and
Qs. B21 to
B23, B132
and B140

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29. The Department of Overseas Trade informed the Committee that attempts had been made by its Sydney Office to have the work completed on time. Exhibit
153/B1
30. The Committee was informed that on 17 August 1972 Trade (Sydney) asked Cemac Brooks Ltd (the contractor) to drill a hole on the second floor to allow P.M.G. to install telephone cables (the Works partitioning contractor's plans had omitted to show the hole). Exhibit
153/B1
31. The Committee was told that the oil strike had stopped the factory producing the metal joining strips from operating. This caused a further revision of the dates of occupation. Exhibit
153/B1 and
Q. B131
32. In fact the Department of the Interior inspected the building and issued the owner with a certificate of practical completion on 22 December 1971, and this then became the agreed-upon rental commencement date. The Committee was assured that this was the best possible date that the Department was able to negotiate with the owner of the space. Qs. B19
and B20

the Department of Trade and Industry (Canberra) advised the Treasury that its Sydney office would move into the building progressively. Trade was advised at the end of May 1972 that occupation would be in September/October 1972. On 16 June 1972 it was agreed to accelerate the work without expending additional funds. On 27 July 1972 the Department of Works advised Trade (Sydney) that progressive occupation dates were from 23 August 1972 to 14 September 1972 dependent upon air-conditioning and other requirements. On 30 August 1972 the dates of occupation were revised because of the metal joining strip problem. The new dates were 9 September 1972 to 23/30 September 1972, depending on the installation of P.BX and partitioning. Sections of Trade (Sydney) moved on 2 and 3 September, 18 September and 30 September 1972 although the work was not finished in the building. Thus rent was actually paid for nine months without occupancy. The Committee was informed that approximately \$130,000 was paid out from the commencement of the lease to the date of occupancy .

121. The Committee was informed that on 31 July 1972 the Department of Trade and Industry (Sydney) sought the contractor's assistance to erect the partitioning on schedule to facilitate the evacuation of the A.N.Z. Building. On 1 August 1972 Trade advised the Department of the Interior of the proposed dates for the evacuation of the A.N.Z. Building and of the Department of Works evaluations for partitioning, carpets, doors and air-conditioning plant in the A.N.Z. Building to allow Interior to arrange their prompt disposal to minimise delays in handing back the building. At the end of August 1972 Trade asked Works to remove partitioning in the A.N.Z. Bank Building although the offices were still occupied. Restoration of the vacated A.N.Z. Building was undertaken by Works and Interior after 30 September 1972.

Exhibit
153/B1

122. The Departmental witnesses involved in the inquiry were questioned on the adequacy of briefing and communications. The Department of Overseas Trade thought that it could not have consulted with the Department of Works earlier than April 1971, when the initial pencil sketches were produced, since the Department of the Interior had informed them early in March 1971 of the lease of the Stocks and Holdings building. The Department of Services and Property did not feel that there had been a lack of co-operation between it and the Treasury. The witness stated that although the two departments were in consultation during July and August 1971 they had not held regular meetings which could have produced better co-operation. The Public Service Board described its role in the project as an advisory one to the Department of Services and Property.³³

¶6. B136
and B137

33. The Public Service Board described its involvement in the following terms:

¶. B141

"On 5 October 1971 the Public Service Inspector was invited to a meeting with the Department of the Interior to examine layout plans prepared by the regional office of the Department of Overseas Trade and to discuss in particular matters of establishment and projected establishment increases. People from the P.S.I's office saw these plans towards the end of October 1971, raised no objections to them and were not involved further. That was the extent of the Board's involvement in the whole project."

CHAPTER 7

THE MAJOR PROBLEMS

Some Suggested Improvements

123. During the Committee's investigations two major factors emerged which separately and together contributed significantly to the delays experienced by the various departments in occupying leased premises. A single contemporary event - the imposition of economic constraints during 1971 - caused the breakdown of procedures normally used in occupying leased premises. This occurrence in conjunction with the overall problem of lack of co-ordination apparently inherent in the system itself led to comparatively large amounts of money being expended on double payments of rent.

124. It was explained by Treasury that normally if an accommodation proposal has moved through all of the requisite steps, received authority from the Department of Services and Property, and conformed with the standards laid down by the Public Service Board then funds were forthcoming from Treasury. However, some of the cases considered in this Inquiry were not treated in this 'normal' manner because "in times of budget stringency, different criteria must apply to the provision of funds".

Qs. 60
and 68

125. The Treasury outlined for the Committee the situation which lasted from the final quarter of 1970-71 through 1971-72. On 2 February 1971 the Treasurer wrote to all Ministers seeking reductions in planned expenditure for the remainder of the financial year. Following this, the Treasury issued a memorandum requesting departments seriously to review their expenditure requirements even though they had been approved for the Budget for that year and to offer wherever possible, expenditure savings. At one stage the Cabinet itself was considering all significant expenditure proposals, and, as was further

.S. 17,
140, B83,
B185, B240
and B241

explained Treasury's general rule was that only unavoidable proposals would be approved. Thus, despite the fact that according to the Administrative Arrangements Order, the then Department of the Interior was the authority responsible for the leasing of land and property, and management of property leased, the Treasury was able effectively to block this authority through its control of funds. It was through this expedient that the Treasury was able to initiate its inquiries which consequently delayed some of the leasing procedures.

126. Almost all of the departments involved in the Inquiry including principal controlling departments proffered the advice that improvements in the co-ordination of leasing procedures were needed, especially in terms of instituting a system whereby as many of the stages as possible were controlled and co-ordinated by one department, that department being Services and Property. One of the constantly recurring complaints was that key departments such as the Treasury and Works were not informed early enough or as thoroughly as was desired, to enable the necessary procedures to be carried out in time to mesh with on-going matters. A Treasury witness explained to the Committee that one of the effects of the delay in occupying I.M.F.C. House was to bring both the Treasury and the Department of Services and Property to recognise the need for earlier consultation so that necessary questions could be asked, prior to firm commitments for leasing being undertaken. In the I.M.F.C. case Treasury came into the matter only when a firm request for funds was made. It was stated that regular bi-monthly meetings were now held to discuss cases coming forward for which there might be a large amount of space required and which Treasury would wish to propose questions because of some unusual feature of the lease. The main purpose of these meetings is to acquaint Treasury of the major leasing projects which are being processed or are about to be processed, to alert Treasury to the need for the leases, to advise of the amount of space which is being sought, discuss justification for that space, and to advise of the estimated cost of the lease or the rental that is likely to be paid for it, so that Treasury has some advance information of what is proposed. At the same time Treasury is advised of the estimated consequential works which will be required to fit out the leased accommodation.

Qs. 8, 46,
A111 to A113
and A121

127. In addition it was further explained that as the procedures stood at the time of the Inquiry the responsibility for sponsoring the fitting out of leased accommodation remains with the departments which occupy or are to occupy the space. It was felt that the talks with Treasury at this stage assisted sponsoring departments when ultimately they went to Treasury for the funds for the works programme to fit out the accommodation. Treasury stated that in contrast to the previous situation, it was fair to say that sponsoring departments did attempt to bring Treasury into the picture at a much earlier stage and that well before the firm time of occupation Treasury had a fairly good idea of not only the cost of leasing but also the consequential work required. The Committee was also informed that the Treasury had revised the financing procedures of the New Works Programme, so that all leased premises work would be financed from the repairs and maintenance fund. The Treasury explained that this measure was designed to clarify the means of appropriation for new premises.

Qs. 8, 45,
and A119
to A121

128. The Department of Works voiced similar complaints involving lack of timely and adequate information. In the Department's own words:

Qs. 63
and 97

"It is one thing to prepare a layout which suits the inmates, and it is another thing to integrate that layout with the building requirements. By that I mean the form of construction of the building, of the services provided within that building, and the other factors that make the people occupying the space and the building an efficient combination. We feel it is desirable for Works to have some knowledge of the space, and we feel we can help considerably in putting the layout together in the early stages before it comes to us for an estimate. If we are faced with a layout that everyone is happy with, and we then at the preliminary estimate stage have to point out that there are serious deficiencies in the layout because of the provision of services in the building, everybody is unhappy and it means a replanning, in whole or in part, of the space".

Q. 63

129. In addition, these problems are compounded when joint occupancy by a number of government departments arises. As mentioned above, under existing procedures the responsibility

Qs. 35 to
41, 93 and
A159

rests with the client departments to seek funds for the fitting out of leased accommodation, and with a jointly occupied building (such as I.M.F.C. House, Adelaide) each one of the departments involved has to submit a separate works requisition to the Department of Works which then is required to co-ordinate the whole project. The Committee was informed that the principal departments: Services and Property, Treasury, Works and the Public Service Board, had held discussions on the proposal that Services and Property should act as the sole sponsoring department, rather than having Works deal with individual occupying departments. If this eventuated Services and Property would be responsible for the fitting out of any leased building. It was felt that this type of action would not usurp the role of the Department of Works in this area.

130. Apart from these two specific cases involving the Treasury and Q. 41 Works most departments expressed strong desires to see a definite qualitative change in the role of the Department of Services and Property, as co-ordinator of the entire leased accommodation field. As explained to the Committee while the Services and Property functions for the Australian Government were handled by a property and real estate branch of the Department of the Interior, the very nature of that organisation tended to ensure that the property role became somewhat diffused.

131. This point was elaborated by Services and Property explaining that whereas the procedures at the time of the Inquiry were for specific responsibilities to be given to client departments to place requisitions on the Department of Works, and negotiate with the Treasury in relation to the place a particular work had on a design list or works programme, previously the best that Interior could do was to telephone around and carry out inspections to ensure that all the financial aspects involved in leasing were co-ordinated with the payment of the rental for which the Department of the Interior was responsible. Despite the latter alleged improvement Services and Property also stated that it still co-ordinated "by ad hoc meetings and telephone calls and things such as that", although it added:

qs. 64,
98, A128
and B142

"At present, up to the stage of approval of office layout plans there is considerable co-ordination by this Department. We have, particularly with a large project, regular meetings at the State level between the Chief Property Officer, the Public Service Inspector, and the Director of Works....but....there is a need for greater co-ordination after the plans (i.e. the layout plans) are approved and the requisitions are sent to the Department of Works.."
However, Treasury expressed its view as follows: "...the essential thing....is that this co-operation should take place before the plans are approved, so that by the time Treasury is approached, and the Department of Works is preparing its firm plans, and all the necessary programming arrangements are made, we have in fact got firm and detailed requirements."

132. The Committee was informed that an inter-departmental committee including Services and Property, Treasury, Housing and Construction and the Public Service Board had been activated to consider the procedures and the roles of the various involved departments. The purpose of this I.D.C. as interpreted by the Department of Services and Property was to spell out that Department's role under the Administrative Arrangements and Lands Acquisition Acts, so that this co-ordinating and central role would be understood by departments in a way that some of the functions of the former Department of the Interior were unclear. The Committee indicated in the course of the hearing that it would welcome additional information on this matter.

Qs. 41, 42,
A101, A111
and A178

133. The Department of Services and Property saw itself as taking a much more positive role in co-ordinating the leasing exercise.³⁴ As mentioned above by taking on the role of sponsoring client departments' works requisitions it could play a greater role in co-ordination of all the various activities that are required of

Exhibit
153/1 and
Qs. 79, 92,
98, A109,
A110, A127,
A129, A130,
B133, B134
and B258

34. The Department affirmed that since leasing was one of its major functions, this, therefore, received major priority.

Qs. A129
and A130

all client departments. In its submission the Department stated that it saw advantages in assuming more responsibilities in the fitting out of leased accommodation (for example, sponsoring all office partitioning). This it explained would mean the administration of funds and requisitions would be under one control and not separated as was the case at the time of the Inquiry. The Public Service Board stated that it saw the Services and Property's new role of central figure and principal co-ordinator as the key to making the leasing procedures more effective. The Department of the Treasury indicated that it felt that office accommodation needed effective co-ordination and control, extending to the setting of targets and deadlines for all departments involved. In addition the Treasury forcefully stated that there was a need for the Department of Services and Property to "maintain this very severe watchdog role" in order to achieve greater impetus and greater co-ordinated control. When questioned on this watchdog role a witness from Services and Property stated: "...I can see us taking a much more positive role, a watchdog role."

134. There were a number of suggestions made by the departments as to how the Department of Services and Property could carry out this enhanced and crucial "watchdog" co-ordinating role. A major suggestion made by most departments centred on the institution of a system of project management whereby a project officer or manager would have responsibility for steering to conclusion the more complicated projects, somewhat broadly along the lines of the project managers in the Services Departments who are appointed to some of the more complicated procurement projects. Various witnesses felt that the appointment of such an officer would assist in ironing out problems that arose during the stages of the work. The Department of Overseas Trade recommended to the Committee the "establishment of a Project Co-ordinating Committee comprising the Departments of Services and Property (as Landlord), Housing and Construction (as constructing authority), Treasury (for provision of funds) and the Client Department to allow:

Exhibit
153/B1 and
Qs. 42, 65
and B255

- (a) The Client's requirements to be known, understood and accepted as the basis for planning - these requirements should preferably be submitted as a written brief to the constructing authority.

- (b) The technical, space entitlements and monetary problems to be resolved collectively thus avoiding abortive planning brought about by the present 'consecutive' series of approvals."

135. Several other suggestions were made on this type of matter, one being the utilisation of such management tools as Program Evaluation Review Technique - PERT.³⁵ The Department of Services and Property agreed that the technique was a very useful one but also very complex and time consuming in its preparation and application, particularly over the wide area of activity and the number of operations being processed. The Department expressed the view that it could not at that stage afford to have staff engaged on examining this process but that it would be kept in mind as an area for future research.

Qs. 99,
105, B141
and B144

35. It was explained that PERT or Critical Path Method (or Network) was a system of co-ordinating various activities and events with the goal of achieving specific objectives, in this case getting a department, or departments, into new accommodation. PERT was said to be a tool to ensure that events took place when they should. If they did not then the system made this known so that adjustments could be made, with the likelihood of the end result date still being achieved. The method could be supported by a computer or done manually. It was further explained that this would have to fit in with the project management approach, where the project manager is responsible for the project as a whole, but individual members of the project team were still functionally responsible to their various departments for the work they did.

Qs. B252
to B254

136. A number of departments raised the issue of amendments to delegations. In this context the Department of Services and Property stated that delegations to Chief Property Officers to approve leases was under active consideration by the Government. If amendments were approved then this would enable many leasing proposals to be approved at the State Branch level, which it was thought would speed up processes considerably. The Department stated that it felt that the Central Office should not take over the full responsibility for the operational side of obtaining leases, that it rather should remain with Chief Property Officers in the State branches, but with Central Office being involved in policy questions which might be raised. There was also a suggestion made that there was a need to look at the question of the delegation to departmental officers to make alterations to partitioning which, at the time of the hearing, was limited to \$100.

Qs. 6, 7,
A284 and
B145

CHAPTER 8

SUMMARY AND CONCLUSIONS

(a) Department of Civil Aviation (now Transport)

(i) Air Liquide House, Melbourne

137. The evidence presented to the Committee shows that the Department of Civil Aviation first informed the Department of the Interior of its need for additional accommodation in May 1970. In October Interior commenced negotiations on behalf of D.C.A. to lease Air Liquide House. Because of the economic restraints introduced in February 1971 D.C.A. was asked to re-examine its requirements. In April 1971 when the Victorian Branch of Interior was satisfied with D.C.A.'s confirmation it approached its Central Office for formal lease approval. After a series of discussions and provision of further detailed information Central Office, Interior, decided it was not satisfied with D.C.A.'s assessments of its existing space needs and so proceeded to inspect Aviation House where the Department was then located.

138. In view of the fact that Interior had agreed with the Department of Civil Aviation as early as October 1970 to the principle of leasing of office space in addition to that occupied by the Department in Aviation House, the Committee finds it disturbing that Interior should have felt it necessary to carry out an inspection of Aviation House on 23 August 1971 (that is, ten months later):

"to satisf(y) ourselves that it was not possible for them to re-arrange the accommodation in that building to gain any extra space."

The Committee feels that it would have been more appropriate for Interior to have satisfied itself as a matter of normal procedure on such a fundamental aspect in advance of any acknowledgement regarding the leasing of additional space. The Committee feels that the six months' delay between April and October 1971 from when Interior's Victorian Branch requested formal approval of the lease till Central Office

approached Treasury for rental funds was unnecessary and could have been avoided had Interior assured itself at a more appropriate stage of the events, that the Department could not have re-arranged its existing accommodation. Following Interior's request for rental funds in October 1971, Treasury in its turn queried the Department on its space justification.

139. While these steps were progressing, in anticipation of the lease settlement the Department negotiated with the Postmaster-General's Department on the installation of telephone services, and proposed preliminary office layout sketches, so that when the lease was settled and rental agreement reached in December 1971, D.C.A. was able to arrange immediately for temporary telephone facilities, and to provide the Department of Works with detailed plans of the layouts. Delays occurred before Works could produce the preliminary estimates and the limit of costs estimate, which it provided in March and May 1972 respectively. The Committee was informed that these delays occurred because Works was not supplied with adequate information on the services of the building. The Committee feels that these delays should not have occurred since these details would have been available to Interior from the owner and they should, therefore, have been supplied to Works to enable estimates to be calculated without any delays occurring while Works attempted to get additional information.

140. No further delays occurred during the subsequent stages which included the receipt of Treasury approval in May 1972 to funds for consequential works, the letting of contracts for the three stages of work, and the progressive occupation of the building which actually began in April 1972 and was concluded in March the following year. The net total loss to the Commonwealth was estimated by the Department at \$30,000.

(ii) Da Costa Building, Adelaide

141. In October 1969 the Department of Civil Aviation requested an

additional minimum 6,000 sq ft of space in the Da Costa Building, Adelaide. In April the following year the Department of the Interior offered 5,733 sq ft which was accepted by D.C.A. while requesting further space. D.C.A. provided in June 1970, at Interior's request, a detailed submission on its space needs, which was examined by the Public Service Inspector, and an inter-departmental accommodation committee. This I.D.C. in July 1970 reached an agreement to move from the building the Departments of Supply and Interior and the Public Service Inspector's Office, and to apportion what was then made available between D.C.A. and two other departments.

142. In September and October 1970 areas on the sixth and seventh floors were offered to Civil Aviation, which in November commenced its design plans. These plans were submitted to Interior in January 1971. D.C.A. started to occupy areas on the sixth floor in February 1971 but because of the economic restraints imposed at this time decided to postpone the necessary consequential works and to offer the space to another department on a temporary basis. The Committee commends the Department on its prompt action in arranging for Interior to occupy those areas it was then not able to use immediately.

143. Between February and August 1971 plans were discussed, revised and finally approved, and in September floors six and seven were passed to the Department to occupy progressively. During October Works completed the detailed drawings and provided a limit of cost estimate at the beginning of November. The Public Service Inspector approved the final layout on 13 December 1971 but D.C.A. did not forward the requisition authorising works to commence until 10 January 1972. The Committee feels that the Department was remiss in this matter. In view of the relative inexperience of many departments in the leasing field, the Committee feels that the Department of the Interior should have been more involved in reminding departments at appropriate stages of the processes, of their responsibilities in terms of authorisations to other involved departments.

144. The building owner's approval to the consequential works was obtained in January 1972, and the work schedule for February to August prepared. The Department of Works did attempt to hasten the processes by using its own day labour force where possible. Full occupancy was effected in September 1972 the Department having lost approximately \$14,000 in dead rent.

(b) I.M.F.C. House, Adelaide

(i) Department of Services and Property

145. In October 1970 it was decided that the Department of the Interior would shift from its location in the Da Costa Building, Adelaide to I.M.F.C. House. Interior, therefore, sought funds approval for the lease from the Treasury. However, in November 1970 Treasury indicated it could not completely agree to Interior's proposal. Evidence was presented to the Committee to the effect that because of the expenditure constraints applying then, Interior agreed in January 1971 to reduce the amount proposed by deleting the two to three years' growth allowance.

146. The revised layout plans which took a further month to complete, were passed to Works in March 1971 who provided within a fortnight the necessary cost estimate needed by Interior to apply to Treasury for funds approval. Interior delayed for two weeks before making this application.

147. Again because of the current expenditure constraints it took Treasury seven weeks to get the Cabinet approval to the application but in the meantime, to enable Works to proceed with detailed design drawings it approved "Design List A" status for the project. However, Treasury had delayed for three weeks before granting the latter approval. In the event Works needed a further three weeks to complete designs following Treasury funds approval on 20 May 1971.

148. Interior progressively occupied the area from April 1971 without partitioning. Tenders were invited in June, a contract awarded in July and the space permanently occupied in September 1971.

149. Although the Committee acknowledges the effect of the expenditure constraints on some of the stages of the procedures, it considers it unsatisfactory that minor unexplained delays should occur, especially when these delays originate from departments playing principal roles in the accommodation sphere. The three weeks' delay by Treasury in conveying its formal agreement to Interior with regard to the lease, the fortnight's delay by Interior in applying for funds from Treasury, and the three weeks' delay by Treasury in approving Design List A status to enable Works to proceed with its part of the programme, are all types of delays which the Committee believes should not occur. The Committee would like to see the procedures more closely monitored to ensure that such delays do not occur.

(ii) Public Service Board

150. According to evidence tendered to the Committee the Public Service Inspector's Office in Adelaide was required to begin arrangements in September 1970 for a move from the Da Costa Building to I.M.F.C. House. It proposed to use 1½ floors of that building. In November the Treasury indicated its reservations on the amount of space requested by the Board. Following this the space was reduced by 1,000 sq ft and this amount offered back to the lessor. In December 1970 the Board was asked to find an alternative 1,000 sq ft because of the unsuitability of the initial space for alternative uses. This it proceeded to do.

151. The Board met in January 1971 with the Treasury and the Department of the Interior to try to agree on outstanding problems. It was decided to review the entire space requirements and layouts.

The Board completed this review in March 1971 during which a further amount of approximately 500 sq ft was taken off the space requested. Treasury indicated in April that funds would be made available and having received this necessary indication the Board requested Works for a final cost estimate.

152. The Board explored the possibility of occupying the space temporarily before completion of the partitioning but decided against this because of the type of work that had to be performed by the Public Service Inspector's Office.

153. The Department of Works completed its final estimate in May 1971, after which formal Treasury approval was received. Tenders were called in June, contracts let in July and occupancy effected in September 1971.

154. The Committee again acknowledges the delays directly attributable to the unusual economic constraints but at the same time considers it unsatisfactory that it took the Treasury and the then Department of the Interior so long to discover how difficult it was to inform one another of relevant accommodation matters before agreeing to regular bi-monthly meetings. The Committee would like to be kept informed of the success or otherwise of this particular measure.

(iii) Department of Labour (now Labor and Immigration)

155. The Committee was informed of a decision taken in February 1971 by the Department of Labour and National Service to move from the Richards Building, Adelaide, to the 13th floor of I.M.F.C. House. Labour took steps in March that year to obtain support for its proposal from the local Public Service Inspector, and to obtain a preliminary cost estimate from the Department of Works. When the

letter was obtained in June 1971 the Department of Labour and National Service decided that since it did not have enough funds and in view of the current economic restraints, rather than approach the Treasury for additional funds it would revise the plans. These were sent to Works in September 1971.

156. In November the Department of the Interior switched the space proposed from the 13th to the 9th floor of I.M.F.C. House, which entailed some minor revisions to the plans and a new preliminary cost estimate from the Department of Works. The latter was forthcoming in December 1971. The changes were submitted to the Public Service Inspector, who indicated his support in January 1972, following which a works requisition for \$4,200 was issued.

157. The Department of Works gave the Consultant the necessary brief in March 1972 and the following month the Consultant indicated that the cost would need to be increased to \$5,400. Works delayed for a fortnight before requesting an increase in authorisation from the Department of Labour and National Service. Works indicated that steps had been taken to ensure that it did not again cause this type of delay.

158. The Consultant's tender documents were considered and amended during May 1972, tenders called in June, a contract accepted and completed in August 1972, when occupancy was effected. Because of the nature of the work involved occupancy could not be made on a progressive basis.

159. The Committee would again like to draw to the attention of the Department of Services and Property the need for it to monitor the procedures most closely. In this case when a delay was caused by tardiness on the part of the Department of Works the client department - the then Department of Labour and National Service - because of its relative inexperience in these matters was not in a position to prompt Works. The Committee believes that this prompting function should be carried out by the co-ordinator - that is, by the Department of Services and Property.

(iv) Department of Social Security

160. In August 1971 the Department of Social Services was asked to move from the space it occupied in the A.M.P. Building, Adelaide, to I.M.F.C. House. The proposal was agreed to by the Department. The Treasury was approached and its support received in September. Layout plans were prepared by the Department, and consequential works arranged by the Department of the Interior in October 1971. At the end of October 1971 the premises were occupied by Social Services. No 'dead rent' was paid.

161. The Committee has no comment to make on this case.

(c) Other Departments

(i) Department of Transport

162. In March 1969 the Department of Shipping and Transport decided to relocate its offices in Sydney. It took a year before agreement could be reached with the Department of the Interior on a suitable location in Caltan House, North Sydney.

163. An Inter-Departmental Committee was established in April 1970 to consider layout plans which were prepared by the Department in the ensuing few months, for floors 3 to 9 of the building. Over a number of meetings the I.D.C. reached general agreement on all floors excepting 7 and 9. The Department of the Interior in October approved plans for partitioning floors 3 to 8 and detailed specifications for all floors were then sent in October and November 1970 to the Department of Works which then provided the cost estimates in January and February 1971. Following receipt of these estimates Transport Central Office (for no apparent reason) delayed for three weeks before submitting a funds request for \$192,000 to Treasury.

164. Because of the economic restraints the Treasury in March 1971 asked the Department of Shipping and Transport to reconsider its request, but this was rejected. The Treasury in the following month approved the expenditure of \$149,000 for floors 3 to 8 but rejected floor 9 proposals on the grounds of extravagance. Works requisitions for an amount of \$149,000 were issued in April 1971 and Transport requested the Department of Works in May to observe certain priorities so that progressive occupancy could be carried out. This request for reasons apparently not ascertainable by either Department was not received by Works, with the result that priorities were not set, and subsequently progressive occupancy could not be effected in accordance with Transport's plans.

165. Tenders were called for floors 3 to 8 by the Department of Works in July, a contract signed in August and the work completed in December 1971. Occupation of these floors followed immediately. For floor 9, the Department of Shipping and Transport revised the layouts and received the Treasurer's approval for \$44,000 for consequential works in July 1971. Tenders for preliminary work were called in October, with the remainder of the tenders not being called for till February 1972. The area on the ninth floor was ready for occupation five months later in July 1972.

166. The amount of 'dead rent' paid during the period from March when rental was agreed to with the lessor to December 1971 when occupancy took place, was approximately \$105,000.

167. In respect of the delay incurred by the Department of Shipping and Transport in not promptly forwarding a funds request to Treasury the Committee would like to draw attention to its comments made in Chapter 8(a) (ii):

"the Department of the Interior should have been more involved in reminding departments at appropriate stages of the processes, of their responsibilities in terms of authorisation to other involved departments".

168. In its examination of this case the Committee considers that if there had been one overall co-ordinating body the events as described above would probably not have occurred. A crucial step in the procedures as outlined to the Committee was the setting up of priorities for the consequential works to be carried out. If these priorities had actually been communicated to the Department of Works before tenders were called, much time and money, in the form of dead rent paid which progressive occupancy would have avoided, could have been saved. However, because there was no overall co-ordinator no one department was in a position to be aware of the non-receipt of a specific message. The Committee, therefore, recommends that the Department of Services and Property, as the Department specially instituted to arrange accommodation matters, should devise a monitoring system involving co-ordination of all factors including: the lease negotiations, the preparation of the layout plans by the client department, the issuing of these plans to the Department of Works to enable it to estimate costs, the request for funds for both rental and consequential work to Treasury, the issuing of works requisitions (and any other relevant instructions or requests from client departments), the completion of tender documents and the entire contracting procedures, and the occupation, both progressive and final, of completed premises.

169. The Committee requests that it be informed of progress in these matters.

(ii) Department of Overseas Trade

170. In July 1970 the Department of Trade and Industry was informed that as of November that year it would be required to change the location of its Sydney office. In March 1971 it was decided to seek the lease of 24,000 sq ft in Stocks and Holdings House, then under construction. The Department of Works, therefore, produced first

sketches and a rough estimate of costs of \$140,000 in April. At this stage the Department made its first attempt at acquiring from Works a breakdown of costs, thereby receiving in June 1971 its first refusal on this matter (after a fortnight's delay by Works in replying).

171. The layouts were discussed and amended during July and then forwarded to the Department of Works which in August advised that substantial changes would be required to comply with various regulations. The Committee finds it difficult to understand why these amendments were required at this juncture when according to the evidence presented Works was involved as early as April 1971 in preparing layout sketches. Similarly, the Committee finds it most difficult to understand complaints made in October 1971 by the Department of the Interior, about the plans revised after Works criticism, in respect of areas allocated to various officers. The committee does not feel it a satisfactory situation that these types of differences could still exist following discussions between the Departments of Trade and Interior (according to the latter on at least three occasions between April and June 1971). The Committee cannot but feel that Interior should have by then made its objections and/or requirements abundantly clear without having to resort to further criticisms on these matters. In view of the fact that following Trade's reply to these renewed criticisms Interior agreed with the Department's defence the Committee would especially like to voice its concern over such apparently superfluous time-consuming negotiations.

172. The Department of Works supplied preliminary cost estimates of \$152,600 in mid-October 1971, while at the same time requesting a works requisition to enable it to proceed with the job. After a delay of nearly three weeks the Department approached the Treasury for its funds approval. At this time (early November 1971) the Department was apprised of a request made by the Treasury four or five months previously, to reduce the space allocated by 3,000 sq ft. It was not made clear in evidence why this proposal was not communicated to the Department either

by the Treasury or the Interior, at that early stage. Because of this requirement the plans once again had to be revised and redrawn completely. The Department advised the Treasury in December 1971 that because of the government's expenditure restraint policies it was deferring the increases in accommodation till a later stage. The final revised plans (reduced to 21,900 sq ft) were completed by the end of December.

173. Another query was repeated by the Treasury at this time. It appears from the evidence that a major misunderstanding between the Treasury and the Department of Works took place over the breakdown of consequential costs between the various floors in Stocks and Holdings House. Although the original request for an explanation of the difference was made in May 1971, Treasury had still not received an explanation which it considered satisfactory by the end of the year. The two departments according to evidence presented to the Committee did not manage to discuss this matter together until a telephone call was made on 11 February 1972 to resolve the issue. The Committee views this sort of non co-operation between such departments as deplorable. In view of the obvious inability of the client department in bringing the two departments - Treasury and Works - together on such an issue the Committee feels that it is incumbent upon the so-called co-ordinating department - then Interior, and now Services and Property - to provide an explanation of how such a breakdown of communications could exist for a period of nine months, and exactly what measures are being taken to ensure that this does not recur.

174. By March 1972 all of the misunderstandings were settled, the necessary approval provided and the works requisitions received by the Department of Works. Documentation was commenced, but unfortunately further delays were experienced which culminated in a meeting in June 1972 which attempted to expedite matters. Apart from agreeing to occupy the premises on a progressive basis and agreeing to draw up a works schedule to enable such occupancy to take place, there was little else that the meeting could achieve at that stage. The Committee does not hesitate to point out that in its opinion such a meeting should have taken place in April 1971, not June 1972.

175. As explained in Chapter 6 a series of unavoidable time-consuming delays plagued the project, so that occupancy did not actually take place until September 1972, a full nine months after rent became payable. The amount of dead rent involved was \$130,000.

176. As the Committee stated in its recommendation on Chapter 8(c) (i), it feels that if there had been an overall co-ordinating body the events as described above would probably not have occurred. This criticism applied both to the minor avoidable delays caused by negligence and/or ignorance on the parts of various departments and the major delays which occurred because departments were not brought together or chose not to meet, to discuss their differences and difficulties.

CHAPTER 9

Committee Recommendations

177. While the Committee readily acknowledges the difficulties faced by any new department in asserting itself in terms of its newly acquired roles and functions, the Committee is concerned that the Department of Services and Property has not produced either a cohesive or an adequate set of procedures which would enable it to cope with its functions as set out in the Administrative Arrangements Orders. Nor does the Committee believe that the Department has substantially improved on the procedures used by its predecessor in the management of office accommodation for Australian Government Departments.

178. The evidence presented in this Inquiry shows that there is a large degree of confusion and disagreement among the principal departments involved, and that the procedures themselves are not capable of coping with demands placed on them either in the normal course of events or when unusual pressures or circumstances arise.

179. The Committee believes that the cases dealt with and the evidence presented in this Inquiry illustrate that the above interpretation of the problems of leased office accommodation is an accurate one. In addition, the Committee notes that the Auditor-General in his 1973-74 Report has once again instanced delays involving substantial amounts of 'dead rent' which in one case could ultimately exceed \$500,000. The Committee, therefore, recommends the following:

- (1) The existing Inter-Departmental Committee comprising the Departments of Services and Property, Housing and Construction, the Treasury and the Public Service Board, should as a matter of urgency complete its deliberations on the roles of the principal departments and should produce a set of

(1) Cont'd

recommendations covering all aspects of leasing and occupying office accommodation. The Committee would especially like to be informed of the Inter-Departmental Committee's recommendations with respect to the co-ordinating role of the Department of Services and Property and the proposals for continuous co-operation between these principal departments.

- (2) Where substantial expenditure is involved in the leasing of privately-owned office accommodation by the Australian Government on behalf of a department or group of departments, or where changes are planned to existing occupants of already leased premises, the Committee recommends that an inter-departmental committee should be established immediately. The inter-departmental committee should include representatives from the Departments of Services and Property, Housing and Construction, the Treasury, the proposed client department(s), and the local Public Service Inspector. The functions of the inter-departmental committee should include: the examination of the proposed movements, the examination of office layout plans prepared by the client department(s), the provision of assistance (through the Services and Property, and Housing and Construction representatives) in the preparation of these plans, the co-ordination of all of the stages from the initial proposal through to actual occupancy, and ensure that all relevant information is made available to those who require it at appropriate times. The inter-departmental committee should be chaired by an officer specifically appointed by the Department of Services and Property to co-ordinate that particular project (or group of projects).

- (3) The Department of Services and Property should institute a system whereby regular reviews are carried out in conjunction with each of the Australian Government departments to assess the likely changes in their office accommodation requirements well in advance of the actual need.
- (4) The Department of Services and Property should increasingly sponsor office accommodation procedures on behalf of client departments. The Committee agrees with the proposition made in evidence that Services and Property should sponsor such matters as fitting out of leased buildings (rather than individual departments presenting their own proposals to the Department of Housing and Construction). Similarly the Committee recommends that the Department of Services and Property should directly place all requests to Treasury for funds for consequential works, in the same way as it already does with requests for rental funds.
- (5) The Committee recommends that the Department of Services and Property should ensure that plans of buildings to be leased by government departments are made available to the Department of Housing and Construction to enable it to offer advice to potential occupants on detailed requirements prior to the preparation of office layout plans.
- (6) The Committee recommends that either the Public Service Board's Management Consultancy and Review Division, or a specially selected external

(6) Cont'd

management consultancy agency, should conduct an intensive investigation, on behalf of, and in conjunction with, the Department of Services and Property, with a view to ascertaining whether or not modern management systems (such as Program Evaluation Review Technique) could be utilised in the office accommodation field. If it is found that such techniques could be usefully employed the Committee recommends strongly that all necessary steps be expedited by Services and Property, the Public Service Board and the Treasury, in enabling these techniques to be introduced at the earliest possible moment.

For and on behalf of the Committee,



R.E. McAuliffe
Chairman



T. Devine,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA, A.C.T.

15 April 1975

APPENDIX NO. 1

Index to Submissions

<u>Submission Number</u>	<u>Title</u>
153/1	Department of Services and Property (general)
153/A1	Department of Services and Property
153/A2	Public Service Board
153/A3	Department of Social Security
153/A4	Department of Labour
153/A5	Department of Civil Aviation
153/B1	Department of Overseas Trade
153/B2	Department of Transport
153/B3	I.D.C. on Office Accommodation

APPENDIX No. 2

Committee File 1973/3

Unoccupied Leased Office Space

The following table shows details of the amount of unoccupied leased office space for which rent was paid on an Australia wide basis for the financial years July 1971 to June 1973.

<u>Quarter Ending</u>	<u>Total Unoccupied Leased Space Sq Ft</u>	<u>Total Leased Space Sq Ft</u>	<u>Percentage of Unoccupied Space %</u>
30.9.71	124,509	6,191,378	2
31.12.71	104,545	6,312,678	1.7
31.3.72	153,707	6,494,451	2.4
30.6.72	78,141	6,691,196	1.2
30.9.72	119,890	6,757,322	1.8
31.12.72	291,506	6,944,312	4.2
31.3.73	204,964	7,283,717	2.8
30.6.73	441,359	7,518,855	5.9

Over the full two year period the average percentage of unoccupied leased space was 2.7% of total leased accommodation

PROCEDURE FOR OBTAINING OFFICE ACCOMMODATION

Step No.	Action Needed	Action taken by
1	<p>Provided the need for new or additional space can be fully justified, a request should be submitted to the Department of Services and Property indicating:-</p> <ul style="list-style-type: none">(a) Reasons for request(b) Details of any existing premises under headings of location, existing area in square feet and the existing staff(c) Utilisation of any premises to be vacated arising from the request(d) Details of new or additional space required in sq. ft. together with proposed staff and any special requirements. If the department is aware of any suitable accommodation, brief details should be included in the proposal.	Client Dept.
2	<p>The proposal will be investigated to confirm the actual need for either new or additional space. If the proposal is found to be justified and following the verification of the establishment details with the Public Service Inspector, the client department will be advised of the availability of leased premises or Commonwealth-owned space.</p>	Dept. of Services and Property
3	<p>If leased premises are proposed they will be jointly inspected and a detailed examination made of:-</p> <ul style="list-style-type: none">(a) facilities, i.e. adequacy of ventilation, heating, air-conditioning, toilets, tea preparation and amenities areas, lifts, lighting, power fittings, floor loadings, floor coverings, fire alarm systems, fire protection measures, partitions, telephones, etc.	Client Dept. and the Dept. of Services & Property (and Dept. of Works when considered necessary)

Step No.	Action Needed	Action taken by
3 cont.	<p>(b) the need for:-</p> <ul style="list-style-type: none"> (i) any structural alterations, additions and/or improvements (ii) repairs and maintenance (iii) any alterations necessary to existing partitions in premises (iv) the installation of other fixtures and fittings to ensure adequate and reasonable standard of accommodation 	
4	<p>The Dept. of Services and Property should be advised if the premises are considered satisfactory and also forwarded three copies of the proposed layout plan for examination and approval.</p>	Client Dept.
5	<p>The proposed layout plan will be examined to ensure that it is efficiently designed and conforms with the approved standards and also the existing facilities in the proposed premises. The layout plan will be approved by this office following consultation with the Public Service Inspector's Office. A copy of the approved layout will be returned to the client department.</p>	Dept. of Services and Property and Public Service Inspector
6	<p>The Dept. of Works should be provided with a functional brief and also a copy of the approved layout plan and be requested to provide a preliminary estimate of cost for the setting up work. A request to Treasury for funds should be forwarded as soon as this estimate is obtained.</p>	Client Dept.
7	<p>On receipt of layout plans from the client dept., the project will be immediately investigated and a preliminary estimate of cost prepared. Further preliminary action will be taken in anticipation that the accommodation will be available.</p>	Dept. of Works
8	<p>Simultaneous with the action in Step 5 above, negotiations will commence with the lessor if leased premises are involved. If any alterations or additions are necessary to the premises, the owner's approval will be obtained to carry out these works.</p>	Dept. of Services and Property

Step No.	Action Needed	Action taken by
9	If premises are to be leased and negotiations are concluded satisfactorily, the approvals of the Minister for Services and Property and the Governor-General in Council will be sought in accordance with the provisions of the Lands Acquisition Act 1955-1966. At the same time a request will be made to Treasury for rental funds.	Dept. of Services and Property
10	<p>On receipt of advice from the Dept. of Services and Property as to the terms and conditions under which the lease will be recommended for approval, the following action should be taken:-</p> <p>(a) a property requisition giving formal authority to take the space should be furnished to the Dept. of Services and Property</p> <p>(b) details should be furnished concerning the cost of consequential works</p> <p>(c) the availability of funds to carry out this work should be advised to the Department of Services and Property</p> <p>(d) the target date for occupancy of the premises should be advised to the Dept. of Services and Property.</p>	Client Dept.
11	The Dept. of Works should be forwarded a requisition authorising an immediate commencement of the setting up work in the leased premises as soon as the Dept. of Services and Property advises that approval for the lease has been obtained and funds for the payment of the rental have been made available. Here again if Govt-owned offices are affected this will be a matter for the Dept. of Services and Property.	Client Dept.
12	The setting up work will proceed on the basis that partitions are to be erected initially and other incidental matters carried out subsequently so that the earliest date of occupation of the premises may be achieved.	Dept. of Works
13	Arrangements should be made for:-	Client Dept.

Step No.	Action Needed	Action taken by
13 cont	(a) the connection of light and power (b) the installation of telephones (c) the removal operation through the Dept. of Supply (d) advising this office of the actual date on which the leased premises will be occupied.	
14	If it should become apparent that the leased space will remain unoccupied for a significant period after rental becomes payable the Treasury should be informed in accordance with Treasury Circular 1969/G4	Client Dept.

APPENDIX No. 4

INTER-DEPARTMENTAL ADVISORY COMMITTEE ON
OFFICE ACCOMMODATION

Exhibit No. 153/B3

COMPOSITION OF THE COMMITTEES

Separate Committees shall function in each State and shall consist of representatives from the following:-

- Interior (Chairman)
- Public Service Board
- Treasury
- Works

Each Committee, when considering the requirements of a particular Department, shall be empowered to co-opt a representative of that Department if considered necessary.

TERMS OF REFERENCE

As directed by Cabinet or as requested by the Chief Property Officer, Department of the Interior, advise the Department of the Interior on the provision of office accommodation to meet the requirements of the Commonwealth in capital cities and regional centres. Particular matters within the scope of the Committee are:-

- (a) In the pre-planning stage, consideration of the occupancy of proposed Commonwealth Offices, allocation of space to Departments, principles to be adopted in respect of office layout and special requirements of Departments.
- (b) Consultation during the preparation of evidence for submission to the Parliamentary Standing Committee on Public Works.

(c) In the planning and later stages of new Commonwealth Offices and in the examination of proposals for the occupation of existing buildings, etc., consideration of the detailed requirements of Departments including such matters as -

- space (including special) requirements and occupancy
- office layout and partitioning
- working conditions (including lighting)
- staff amenities
- tea and food services
- furniture and floor coverings
- lift and escalator services
- telephone and mail services
- conference and training facilities
- off-street parking facilities

GUIDELINES FOR DEPARTMENTS SEEKING OFFICE ACCOMMODATION

Introduction

1.01 The Department of the Interior has responsibility for the provision and, in many instances, the management of Commonwealth Office accommodation.

.02 This accommodation is provided in either Commonwealth-owned or leased buildings.

.03 The Commonwealth has substantial office construction programmes but also leases privately-owned office space on a large scale.

.04 During recent years the Department of the Interior has developed procedures and office accommodation guidelines that should be of assistance to departments in satisfying their accommodation requirements. Those procedures and guidelines, which are under continuous review, recognise the need for the Commonwealth to secure and allocate its office accommodation in the most efficient way.

General Procedure for Departments Seeking Office Accommodation

.05 Before submitting a request for additional accommodation, a department should examine its existing accommodation closely, to ensure that it is being used effectively. Officers of the Department of the Interior are available for consultation.

.06 When the department concerned is satisfied that it requires extra accommodation, it should furnish the following information to the Chief Property Officer in the State concerned:

- (a) the reason for the additional space requirement, including the area required and the number of staff to be accommodated;
- (b) the current location of the department or section of the department concerned including the area occupied and the number of staff;
- (c) the proposed use of the space to be vacated;
- (d) any other comments that would assist the Department of the Interior, including details of any accommodation known to the department concerned that may be suitable.

Large Areas of Accommodation

.07 In cases where large areas of accommodation are proposed, the department concerned will be asked to confer with representatives of Interior and the Public Service Inspector's Office to consider the justification for and extent of space required in relation to the establishment plus any likely expansion.

Inspection of Premises

1.08 When the proposal has been justified and suitable premises located, the client department will be asked to examine the premises, if it has not already done so, as soon as possible having regard to:

- (a) location;
- (b) area of space;
- (c) facilities, i.e. adequacy of toilets and lifts, heating, floor loading, telephones, ventilation, air-conditioning, partitions, floor-coverings, light and power fittings, fire alarm systems and fire protective measures, amenities, etc.;
- (d) the need for (i) repairs and maintenance, (ii) structural alterations, additions and/or improvements, (iii) the alteration of existing and/or the erection of new partitions and (iv) the installation of other fixtures and fittings to ensure adequate and a reasonable standard of accommodation for the efficient operation of the department. The Department of Works should be asked to advise on any technical aspects.

Office Layout

.09 Plans should then be prepared, but only as single line drawings sufficient to clearly indicate the proposed layout. Preparation of elaborate drawings at this stage could serve only to delay processing of the proposal particularly where alterations to the plans become necessary if alternative schemes are examined.

.10 In preparing these plans considerable attention should be given to economy in office layout, one of the most important factors being the amount of space allocated to officers in a group and the manner in which that space is organised, i.e. the amount and type of partitioning used and the quantity of open space.

.11 Open planning should be encouraged as it contributes to functional efficiency and economy, by providing:

- better lighting and ventilation;
- saving in space, particularly of corridor space;
- better supervision;
- economies in cleaning, maintenance and renovation;
- economies in initial establishment costs; and
- better communication.

.12 Some partitioned offices must be provided because of the nature of the work of some individual officers; however, the need for individual offices should be clearly established before their provision is recommended.

Leasing Procedure

.13 If the premises submitted are considered satisfactory, negotiations for a lease will commence immediately final details of the client department's requirements are submitted to the Department of the Interior. Three final copies of the proposed layout drawn up in conformity with earlier approvals should be provided.

.14 If alterations, additions and/or improvements to the premises are contemplated the owner's approval will be necessary and this will be sought by Interior during the course of negotiations.

.15 The term of lease will depend primarily on the client department's requirements, the future availability of Commonwealth-owned buildings and the conditions which can be negotiated with the lessor.

.16 Where alterations, additions, and/or improvements to the premises are contemplated, a copy of the layout plans should also be forwarded to the Department of Works for costing, in expectation that the negotiations for the lease will be successfully concluded.

.17 As soon as Interior has advised the terms and conditions under which the lease will be recommended for approval, the client department will be required to furnish a property requisition for the leasing of the premises. At the same time the cost of consequential works, the availability of funds and the target date for occupation of the space should be advised.

.18 When approval for the lease has been obtained, funds made available and the owner's approval given to alterations, etc., the client department should forward a requisition to the Department of Works authorising an immediate commencement of the office layout to ensure that the work is completed at the earliest possible date.

Guidelines for the Allocation of Office Space

.19 These guidelines are intended to cover space allocations for general office areas and separate offices in clerical/administrative and professional/technical occupations.

.20 In assessing space requirements in general office areas, planning should be based on an overall maximum allocation of 100 square feet per officer for State Offices of departments and 130 square feet per officer for Central Offices. These allocations should include:

- . office space;
- . internal corridors;
- . conference, waiting and reception areas directly related to office space;
- . supporting activities such as library, registry, training and minor activities.

They would not include:

- . lift lobbies and general public foyers and passageways;
- . toilet, washroom and tea preparation areas;
- . cafeterias;
- . general public waiting and counter areas which could not be used for office space;
- . large storage areas.

1.21 All individual allocations are related to functional requirements, not designation or classification. This is done because of the wide range of requirements and differing functional responsibilities for most levels in both the clerical/administrative area and the professional/technical fields. In many cases however the relationship between classification and function is easily recognised.

.22 These individual allocations are suggested for each officer, and do not cover requirements for shared facilities e.g. storage space or unstaffed areas such as libraries, conference rooms, lunch rooms etc. The allocations are intended, however, to include internal traffic ways and passages between related areas.

.23 Allocations shown are maximum, not minimum; in some cases however, specific building characteristics e.g. size of building module, air conditioning, window and door locations etc. may necessitate variations from the guidelines. In all cases, final allocations of space will be subject to the consideration and approval of the Department of the Interior.

CLERICAL AND ADMINISTRATIVE OFFICE AREAS

General Office Areas

2.01 The Department of the Interior has determined four space categories which should be satisfactory for general office areas; these are:

(a) 50 square feet per officer

50 square feet is the most effective area that should be allocated to an officer requiring only a standard desk and a chair and allowing reasonable circulation space between desks. This category would include officers such as typists, clerical assistants not requiring separate individual equipment or furniture, lower clerical grades requiring the use of desk, chair and table-top equipment only.

(b) 65 square feet per officer

This allocation should include most general clerical officers who have a normal clerical function requiring the use of a cabinet, bookcase or other equipment apart from a desk and chair, but with no requirement for interviewing other than at counters or in separate interviewing rooms or areas. It should cover such occupational categories as salaries and accounts clerks, tax assessors, general administrative clerks etc.

(c) 80 square feet per officer

Apart from the space referred to above for general clerical areas, more space should be provided for officers whose functions require the conduct of interviews at their desk. The extra space would be required, not only for visitors' chairs but to provide for some degree of acoustic privacy in interviewing situations where complete privacy is not warranted. Most general supervisory staff conducting regular staff interviews, discussions and desk training would be in this category. This space would also be provided for those officers who regularly interview members of the public, or other departmental personnel, where the nature of the interviewing is not confidential from other working members of the group. It should be noted however, that in order to save space and partitioning costs, Departments should carefully consider the provision of interview rooms available for use by all officers of the particular Branch or Section

and so avoid the need to provide separate partitioned rooms for officers who only occasionally have interviews with people outside their own Department.

(d) 95 square feet per officer

This allocation should cover staff whose functions do not require the provision of separate offices but need a high degree of concentration requiring visual and acoustic separation from other officers of a working group. This staff would include officers whose function is predominantly of a responsible investigatory or research nature e.g. higher level research staff, establishment inspectors. Generally it is not expected that work of this nature would be performed below the Class 7 level in a Central Office and corresponding levels in State Branches.

Allocations for Separate Offices Clerical/Administrative Occupations

2.02 The guidelines that follow for the allocation of separate offices have been based on the premise that "function" is the specific factor determining the necessity for a separate office. The particular functions that are considered to justify the allocation of a separate office should be evident where:

- (a) the officer concerned has a regular significant interviewing or conference role, either with staff or persons outside the Department, where the interviews or conferences cannot be held by other means e.g. the use of common interviewing or conference rooms, and where high degree of privacy is necessary;
- (b) the work of the officer is confidential to himself, and a need exists to provide complete privacy from others in the area;
- (c) for any other reason the officer concerned requires a secluded working environment that cannot be provided by shared accommodation.

.03 The above criteria exclude some of the more traditional reasons why departments often seek separate offices. The main reasons excluded relate to supervisory and research functions.

.04 A separate office should not be provided merely because an officer has a supervisory function. More effective supervision often results from having no physical separation between supervisor and subordinates. It is widely accepted also that a unified group produces better communication and hence better supervision.

2.05 Traditionally, separate offices often have been provided for officers engaged in research or investigatory work, on the basis that a quiet environment is needed. Two factors are significant:

- . Firstly, half height partitions are normally specified for the majority of officers in these areas. The British Standards Institute has published a "Code of Basic Data for the Design of Buildings" which states:

"Sometimes lightweight partitions are erected so that there is a space between the top of the partition and the ceiling; the partitions should then be regarded as space defining walls giving at most visual privacy only. The sound insulation between adjoining rooms separated in this way will be negligible."

In the areas of this type visual privacy is more important than acoustic privacy, and office planning for these groups should aim at reducing the amount of distraction caused by movement.

- . Secondly, visual privacy often can be obtained by thoughtful placement of desks, filing cabinets, traffic lanes and the location of officers whose work is likely to cause, or be affected, by visual disturbance.

.06 In research and investigation areas, private offices should only be provided where satisfactory levels of disturbance cannot be achieved by efficient open planning.

.07 The Department of the Interior has determined four space categories which should satisfy requirements for separate offices for administrative/clerical staff. These are:

(a) 96 square feet per officer

The officer concerned must have privacy but does little if any interviewing or conference work that needs to be performed in the office. The number of people interviewed would not regularly exceed two. The area set down, a maximum of 96 square feet, allows for normal furniture and circulation space and conforms with sizes dictated by the more common modules in modern buildings.

(b) 110 square feet per officer

The officer concerned must have privacy and regularly interviews or confers with 2-3 people at the one time, where separate interviewing or conference facilities are not provided or cannot be used.

(c) 145 square feet per officer

The officer concerned regularly holds staff or other conferences of 3 or more persons. Generally, officers falling into this category would be senior officers of Section Head status.

(d) 180 square feet per officer

A need exists to provide a standard in the Third Division for a small group of senior officers who have functions close to Branch Head type, where a larger amount of space is required because of the type and regularity of staff conferences held, a high degree of public contact at a senior level or regular inter-Branch or inter-departmental conferences. This allocation refers only to Branch Heads below Second Division status and Departmental representatives in States below Second Division level.

Allocations for Separate Offices - Second Division

2.08 In the Second Division, special factors influence the allocation of space necessary for an officer to efficiently perform his duties. Typically, the officer is required to conduct a greater number of conferences, often with senior officers of the same or other departments or with representatives of the public.

.09 In some departments, particularly those with a high degree of consultation with influential and senior areas of the public sector, justification exists for larger offices and better facilities for Second Division staff to maintain an acceptable level of image for the Public Service.

.10 The following allocations have been determined by the Department of the Interior, taking into account the above factors and an examination of allocations that have been accepted and applied in the Service.

Branch Heads	:	225 square feet
Divisional Heads	:	250 square feet
Deputy Permanent Head	:	300 square feet

PROFESSIONAL AND TECHNICAL OFFICE AREAS

Introduction

3.01 Insofar as working accommodation is concerned, there are three broad categories of officers in the Professional and Technical Grades.

.02 Firstly, there are those officers who, because of the nature of their work, are not accommodated in normal Commonwealth-owned or leased offices. In this category are botanists, chemists, metallurgists etc. who are generally accommodated in special-purpose buildings such as laboratories. Such officers are not included within the scope of these guidelines.

.03 Secondly, there are a number of professional officers who are accommodated in Commonwealth-owned or leased buildings, whose work requires only such equipment and space that would normally be used by a clerical/administrative officer of a relatively senior classification. Officers in this category are Education Officers, Legal Officers, Valuers etc. These officers should normally be covered by the clerical/administrative guidelines.

.04 Thirdly, there are those officers who due to the special nature of their profession, either because of the equipment they must use or the type of work they perform, require different office space to the general clerical/administrative occupation. These guidelines are intended to cover such officers who would be employed in the following typical professions:

- (a) Architecture
- (b) Engineering
- (c) Surveying
- (d) Quantity Surveying
- (e) Drafting

Technical officers or assistants employed in association with any of the above professions should be covered by the guidelines for the particular profession.

.05 Functions of the abovementioned professions are very different and may even differ considerably between the various branches of each profession. However, these differences should not significantly affect the amount of office space generally required for particular officers, except draftsmen in some cases.

Allocations for Professional/Technical Grades in Open Office Areas

- .06 (a) 90 square feet per officer

This includes those officers who perform the basic duties of their respective profession e.g. design work, plan

checking, plotting, calculating, drafting etc., requiring the use of a drafting table and associated side table, stool or chair, together with a storage cabinet and/or bookshelf. These officers would normally have no requirement for interviewing, other than perhaps desk discussions. This space should also be provided for technical officers and assistants in the respective professions who carry out similar work, using the same equipment.

(b) 100 square feet per officer

Some professional/technical officers require the use of an office desk for administrative matters such as correspondence, report writing, staff work etc. There are some officers, particularly engineering officers, whose function is predominantly of a research or development nature, but who do not require separate offices. These officers work mainly at an office desk, but require the use of a lay-off table for examination or checking of plans. This floor space allocation would be suitable for both those categories.

(c) 120 square feet per officer

There is a need to provide a larger amount of space for officers who do not require a separate office, but require an additional degree of acoustic privacy for conducting interviews where complete privacy is not necessary. These officers would regularly carry out staff discussions, desk training, or a great deal of business by telephone. They would also require the use of a lay-off table.

Allocations for Separate Office for Professional/Technical Grades

3.07 (a) 100 square feet per officer

The officer concerned must have privacy, would do little if any interviewing or conference work in the office, and would work mainly at a drawing table with side table chair and reasonable storage space.

(b) 130 square feet per officer

The officer concerned would require the use of a normal office desk, drawing table or lay-off table, together with normal office furniture. He would do little if any interviewing or conference work in the office.

(c) 160 square feet per officer

This allocation is appropriate for a senior officer, generally of section head status. The area is considered suitable for normal office furniture together with a lay-off table and would provide room to hold small staff and other conferences.

(d) 180 square feet per officer

There are a number of professional officers who have functions similar to a Branch Head and consequently have a requirement for more office space. These officers have a high

degree of contact with senior government officers or high level representatives of private enterprise. An example would be the Chief Surveyor of the Department of the Interior in any capital city.

Open Office Areas - Draftsmen

3.08 (a) 80 square feet per officer

This area would be appropriate for a draftsman requiring only the use of a drafting table and normal storage space. He would have no requirement for interviewing or staff discussions and would normally be of the status of a drafting assistant or drafting officer.

(b) 90 square feet per officer

There is a need by some draftsmen for an additional side or lay-off table for checking or similar functions. This area is appropriate for officers who would normally be senior draftsmen.

(c) 110 square feet per officer

This area is suitable for supervising draftsmen who require the use of a side table and chair, in addition to their normal furniture.

Allocations for Separate Offices - Draftsmen

.09 (a) 100 square feet per officer

This area is suitable for draftsmen who, while having no supervisory function, require a separate office because of the high degree of concentration required for their work, or in some cases for security reasons.

(b) 140 square feet per officer

This area is suitable for a draftsman of senior status e.g. deputy section head, who in addition to having an office desk, lay-off or drafting table, would be required to have restricted staff discussions.

(c) 160 square feet per officer

This area is appropriate for draftsmen of section head status.

GUIDELINES FOR THE PROVISION OF SPECIAL FACILITIES
IN OFFICE BUILDINGS

4.01 These guidelines provide a basis for consideration by the Department of the Interior of requests and proposals for the provision in office buildings of water closets, showers and kitchenettes, apart from those provided for general use.

.02 The guidelines should not be taken to indicate an entitlement to any special facility or facilities for a person or group of persons or for their provision in any particular area or at any specific point in any office building. Each proposal will be examined individually having regard to organisational, administrative, financial, technical and other considerations obtaining.

.03 These guidelines will assist in the design of new Commonwealth office buildings; they could, under some circumstances, be the basis for consideration of modifications to be undertaken concurrently with substantial renovation or reconstruction of Commonwealth office buildings. However, modification of existing buildings would have to take particular cognizance of the factors mentioned in Section C/4.02.

.04 The following specific points should be taken into account in consideration of the provision of special facilities:

- (i) a water closet may be provided for a Permanent Head or Chief Executive of similar status to a Permanent Head in a statutory authority and may be accessible from an office or anteroom;
- (ii) water closets may be provided in association with conference rooms;
- (iii) where more than one water closet is required on one floor, they should be grouped to the greatest possible extent and should be located adjacent to or as close as possible to the general facilities in an office building;
- (iv) water closets should be so located that if the type of office activity in a building or on a floor of a building changes either within a Department or by takeover of the office space by another Department when the special facilities may not be required, the facilities could be integrated with the general facilities on a floor by the removal of a dividing wall;
- (v) all water closets should be located as near as possible to the vertical line where facilities are provided on other floors;

- (vi) where water closets are provided for other than the Permanent Head or head of a statutory authority consideration should always be given to the desirability of their provision in pairs;
- (vii) showers or kitchenettes will be provided only in special instances, and then usually only in association with or for the use of those using important conference facilities in a building.