



DEPARTMENT OF THE SENATE
PAPER No. 1985
DATE
PRESENTED
24 NOV 1988

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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

REPORT

relating to the

CONSTRUCTION OF NEW COMMONWEALTH OFFICES AT FRANKSTON, VIC

(Eleventh Report of 1988)



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MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

(Twenty-Ninth Committee)

Mr Colin Hollis MP (Chairman)

Mr Percival Clarence Millar MP (Vice-Chairman)

Senate

Senator Bryant Robert Burns
Senator John Robert Devereux
Senator Dr Glenister Sheil

House of Representatives

Mr George Gear MP
Mr Robert George Halverson OBE MP
Mr John Graham Mountford MP
Mr William Leonard Taylor MP

PUBLIC WORKS COMMITTEE ACT 1969

ORDER UNDER SUBSECTION 18(4)

I, Sir Ninian Martin Stephen, the Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, in pursuance of subsection 18(4) of the Public Works Committee Act 1969 hereby, by this Order, declare that the public work described in the Schedule be referred to the Parliamentary Standing committee on Public Works for consideration and report.

SCHEDULE

Construction of New Commonwealth Offices at Frankston, Vic

Given under my Hand and
the Great Seal of
Australia on 30 June 1988

Governor-General

By His Excellency's Command

(Signed) Stewart West

Minister of State for Administrative
Services

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

CONSTRUCTION OF COMMONWEALTH OFFICES AT FRANKSTON, VICTORIA

REPORT

On 30 June, 1988, His Excellency the Governor-General in Council referred to the Parliamentary Standing Committee on Public Works for consideration and report to Parliament the proposal for the construction of Commonwealth Offices at Frankston, Victoria.

THE REFERENCE

1 The work proposed is to erect an office building of 5900 m² gross floor area on the Commonwealth owned site at 20 Davey Street, Frankston to accommodate Commonwealth regional office requirements in the area.

2 The project comprises a two-storey building which incorporates the main fabric of the two-storey Plowman residence which has been recorded by the National Trust.

3 This reference, as well as the construction of Commonwealth Offices at Oakleigh is an instalment purchase project. This is the first time that these types of projects have been referred to the Committee and further information on instalment purchase and costing is provided at paragraphs 51-54.

4 The estimated instalment purchase completed cost of the proposed work is \$13.2m on an anticipated October 1990 completion date.

THE COMMITTEE'S INVESTIGATION

5 The Committee received written submissions and plans from the Department of Administrative Services (DAS) (Australian Construction Services (ACS) and Property Services) and the Administrative and Clerical Officers Association (ACOA) and took evidence from their representatives at a public hearing held in Melbourne on 6 September 1988.

6 The Committee also received a submission from the City of Frankston.

7 Prior to the hearing the Committee inspected existing accommodation at Frankston, as well as the proposed site.

8 A list of witnesses who appeared at the public hearing is at Appendix A.

9 The Committee's proceedings will be printed as Minutes of Evidence.

BACKGROUND

10 DAS is responsible for providing accommodation for Commonwealth departments and statutory authorities funded from the Budget.

11 The Government's policy is to increase the proportion of owned office accommodation, reduce overall rental costs, provide suitable accommodation for departments to enhance their efficiency of operations and delivery of services to the public, and to plan and design office buildings which allow for ready and economic adaptation to inevitable changes in user requirements.

THE NEED

12 Commonwealth departments currently occupy approximately 3786 m² of leased accommodation in Frankston as follows:

Department	Space Leased m ²
Social Security	2475
Employment, Education and Training	695
Health and Community Services	329
Defence	73
Administrative Services (Electoral Commission)	124
Federal Member	90
Total	<u>3786</u>

13 Looking forward to 1990-91 the requirement for Commonwealth departments in Frankston is anticipated to be 3500 m².

14 The revised space requirements arise from:

- the intention of the Department of Social Security to relocate staff dealing with Mornington Peninsula clients from Frankston to a Mornington Peninsula office;
- expansion of services provided by the Departments of Employment, Education and Training and Defence; and,
- some expansion to meet justified space requirements not presently provided for in leased space.

15 The Commonwealth's annual leasing bill for office space in Frankston is currently \$527 426.

16 The market presently is characterised by a shortage of suitable lease premises and historically low vacancy rates. Market analysis suggests that rental growth over the next twelve months is expected to be equal to or greater than the rate of inflation.

Rental Savings

17 A study of current and projected suburban rental levels indicates that an annual saving of \$773 300 at 1988 levels should result from the construction of 3500 m² of owned office space in Frankston. Projected to the end of 1990 this saving would be expected to increase to \$947 300 per annum.

Advantages of Collocation

18 . the proposed tenants are all Commonwealth service agencies. Collocation at the one centre will provide a focus for the delivery of Commonwealth services in Frankston.

- economies of scale will be produced in the provision of services to those departments.
- opportunities will be provided for rationalisation of space utilisation with future tenancy changes.

Suitability of Accommodation

19 Existing leased accommodation falls short of Commonwealth requirements in a number of respects. Major service departments such as Social Security and Employment, Education and Training are located in inadequate buildings without shop-front accommodation and car-parking for official vehicles. Other problems experienced include poor air-conditioning and access for

clients, insufficient space to meet current requirements, and a lack of flexibility to meet increasing demands for screen-based equipment. A Commonwealth-owned and designed building will have the capacity and flexibility to meet these requirements.

Committee's Conclusion

20 A need exists in the Frankston area to provide 3500 m² of owned office space to replace existing leased accommodation. This is consistent with the Government's policy of increasing its ownership of office accommodation and reducing overall rental costs.

THE PROPOSAL

21 It is proposed to construct a two-storey building of 5900 m² gross floor area on a Commonwealth owned site at 20 Davey Street, Frankston.

The Plowman Residence

22 The Plowman residence, constructed in 1900, is one of the few remaining historic buildings in Frankston built in the Federation style. It was originally the residence of Dr S. Plowman, the founding Dean of the College of Pharmacy, Melbourne.

23 The City of Frankston considers that the building is of local historic and architectural significance and should be preserved. The National Trust believes that the building contributes to Australia's heritage, that its preservation should be encouraged and has therefore given it a "Recorded" listing. The Australian Heritage Commission believes the residence to be of local historical interest.

24 DAS advised that because the residence is not a classified building there is flexibility to upgrade the interior of the building to modern standards. The main fabric of the building, the entrance hall, staircase and leadlight windows will be retained. The building is structurally sound and refurbishment will cost \$300 000. Finishes will be upgraded to make it acceptable for use as office accommodation.

The Site

25 The site, on the corner of Davey and Young Streets, Frankston is on the periphery of the Frankston Business District and adjoins the Frankston Municipal Offices. The land comprises an area of approximately 4619 m² with frontages of 57.5 m to Davey Street and 80.2 m to Young Street. The site is within an area zoned residential under the Frankston Planning Scheme. It was acquired by the Commonwealth on 27 April 1977 at a cost of \$100 000.

26 The site contains a two-storey building, the Plowman residence, which will be retained and incorporated in the new development. It is also proposed to retain two Norfolk pine trees as well as a Moreton Bay fig, which are of local significance to the community of Frankston.

Committee's Conclusion

27 The Frankston site satisfies the requirements identified by the Department of Administrative Services. The Committee considers the site suitable for the proposed building.

Amenities and Staffing

28 DAS advised the Committee that it is not planned to have a cafeteria in the proposed building, which will be close to the major shopping area of Frankston and a range of food outlets.

Staff in the building would therefore be adequately provided for. The ACOA agreed that a cafeteria was not required but separate kitchen facilities were needed. DAS agreed that kitchens with microwaves and refrigerators would be considered at the fitout phase and were normally provided in Commonwealth-owned and leased buildings.

29 Separate public toilets have been incorporated into the design of the building and have met union requirements. Two showers will be provided in the basement of the building. However, DAS agreed to further consultation and discussion with the ACOA who believe that four showers should be provided.

30 DAS advised that first aid rooms and sick rooms will be provided in accordance with Commonwealth accommodation guidelines.

Car-parking

31 Parking for thirty-six official vehicles will be provided in the basement with access from Young Street.

32 Following consultation with the Frankston City Council, an additional seventeen car parking spaces will be provided at ground level on the Davey Street frontage for visitor parking.

Paper Recycling

33 The Committee queried whether clean paper waste would be recycled in the proposed building. Although this issue had not been considered in relation to the Frankston building, DAS advised that it would be closely monitoring this process which is operating currently in the Adelaide Commonwealth Centre. DAS advised that there would be no structural adjustments necessary to the building should this process be introduced at a later date.

34 Paper recycling is an important environmental issue and the Committee requests that it be kept informed of the results of the paper recycling trials.

Child-care Facilities

35 The ACOA raised the issue of the provision of work-related child-care facilities. DAS advised, however, that it is currently not Commonwealth Government policy to provide child-care facilities in Government departments.

Shop-front Accommodation

36 For ease of public access shop-front accommodation will be provided for the Commonwealth Employment Services office and the Department of Social Security. At present these offices have second and third-floor accommodation.

Disabled Access

37 Disabled access will be provided in accordance with the relevant codes.

Future Expansion

38 DAS advised that the projected life of the building is fifteen years. In reply to the Committee's query on future expansion of the building, DAS stated that the proposed building is the maximum development that the Ministry for Planning and Environment of the Council would permit on the site.

Impact of the Proposal on the Rental Market

39 Frankston is designated a Strategic District Centre under the Melbourne Metropolitan Planning Scheme. The Ministry for

Planning and Environment and the City of Frankston actively are encouraging office development in district centres.

40 Given the present historically low vacancy factor in Frankston, the Commonwealth development is not expected to adversely affect the market. On the contrary, it may stimulate further office development in the area.

Committee's Conclusion

41 The proposal to construct Commonwealth Offices at Frankston will result in savings on rental and administrative costs. The proposed building, incorporating the Plowman residence, will allow the Commonwealth economically and effectively to satisfy its office accommodation requirements in Frankston.

ENVIRONMENTAL CONSIDERATIONS

42 The Department of Arts, Sport, the Environment, Tourism and Territories has advised that the project requires neither a public environment report nor an environmental impact statement in order to satisfy the objectives of the Environment Protection (Impact of Proposals) Act 1974.

CONSULTATION

43 The proposal was discussed with relevant staff associations, namely:

- Administrative and Clerical Officers Association
- Australian Public Service Association
- Commonwealth Medical Officers Association
- Association of Drafting, Supervisory and Technical Employees
- Professional Officers Association.

44 While the ACOA in its submission supported the construction of the building, concerns were expressed in relation to issues such as staff amenities, security and child-care facilities. DAS advised the Committee that it will have further discussions with staff associations to resolve issues such as those raised by the ACOA.

45 The following heritage and planning groups were consulted:

- Australian Heritage Commission
- National Trust of Australia (Vic)
- Victorian Ministry for Planning and Environment
- The Council of the City of Frankston
- Melbourne and Metropolitan Board of Works
- Australian Survey and Land Information Services.

46 Concerns were expressed by some of those groups in relation to the retention of the Plowman residence. This issue has been discussed at paragraphs 22-24.

47 DAS also consulted the following authorities and organisations, none of which raised any objections:

- Australian Electoral Commission
- Department of Community Services and Health
- Department of Employment, Education and Training
- Department of Social Security
- Department of Defence
- Commonwealth Fire Board
- Country Fire Authority
- State Electricity Commission of Victoria
- Disabled People's International
- Australian Council on Disability
- Disabled Resource Centre.

COST ESTIMATES

Civil Works Estimates

48 In the past civil works estimates have referred to the estimated cost of actual construction that could be expected in a competitive tender situation at current day prices. This base price for constructing and fitting out the building has not included the following provisions which may lead to a higher final cost for the works:

- a "write up" provision commencing at 10% for works with program provision up to \$1.2m and decreasing rapidly with increased program provision in accordance with an approved scale to cover cost escalation over the period between the formal estimate being prepared for programming purposes and the receipts of tenders for the works concerned;
- a "write up" provision commencing at 10% for projects with authorisation up to \$150 000 and decreasing rapidly with increased authorisation in accordance with an approved scale to cover approved variations to the work resulting from unforeseen requirements arising during the construction phase; and
- a "write up" provision to cover actual increases sustained in the cost of labour and materials against contracts for project components where that particular contract has a construction time exceeding nine months.

49 Civil works estimates in the past have also not included design and supervisory costs carried out by ACS. ACS is now charging for these services and future civil works costing will include these costs.

50 The estimated civil works completion cost for Frankston taking into account "write up" provisions and design and supervision fees is \$11.6m.

Instalment Purchase

51 Under an instalment purchase arrangement, a developer signs a firm price contract with the Commonwealth to undertake design documentation, arrange finance and construct a building to Commonwealth standards. The Commonwealth contracts to purchase the building immediately it is completed and certified as satisfying all contractual requirements.

52 An instalment purchase out-turn cost (completed cost) is an estimated final all-inclusive capital cost for the project that will be payable at the date of completion, either by lump sum payment or by instalments. Where the Commonwealth chooses to pay by instalments an additional charge for interest is incurred.

53 The instalment purchase out-turn cost includes provision for:

- . escalation in tenderers' prices from the date of Government approval for the project through to the calling of tenders;
- . increased costs for labour and materials from the date of Government approval for the project through to completion of the works;
- . design and supervision fees;
- . contingency funding for variations to the works resulting from unforeseen or changed requirements; and
- . the contractor's financing charges over the construction period.

54 The estimated instalment purchase completed cost for Frankston based on an anticipated October 1990 completion date is \$13.2m comprising:

	\$m
Construction Costs	8.4
Contingency	0.7
Development Costs	2.8
Finance Costs	<u>1.3</u>
Total	<u>13.2</u>

Committee's Recommendation

55 The Committee recommends the construction of new Commonwealth Offices at Frankston at an estimated instalment purchase completed cost of \$13.2m.

COMMITTEE'S CONCLUSIONS AND RECOMMENDATION

56 The conclusions and recommendation of the Committee are set out below with the paragraph in the report to which each refers:

	Paragraph
1. A need exists in the Frankston area to provide 3500 m ² of owned office space to replace existing leased accommodation. This is consistent with the Government's policy of increasing its ownership of office accommodation and reducing overall rental costs.	20
2. The Frankston site satisfies the requirements identified by the Department of Administrative Services. The Committee considers the site suitable for the proposed building.	27
3. The proposal to construct Commonwealth Offices at Frankston will result in savings on rental and administrative costs. The proposed building, incorporating the Plowman residence, will allow the Commonwealth economically and effectively to satisfy its office accommodation requirements in Frankston.	41

4. The Committee recommends the construction
of new Commonwealth Offices at Frankston
at an estimated instalment purchase
completed cost of \$13.2m.

55



Colin Hollis
Chairman

10 November 1988

APPENDIX A

LIST OF WITNESSES

BAGULEY, Mr Denis, Acting State Manager, Australian Property Services, Victorian Region, Department of Administrative Services, Level 22 North Tower, Rialto Building, 525 Collins Street, Melbourne, Vic 3000

CHEAH, Mrs Christina Lay-See, Associate Director, Australian Construction Services, Department of Administrative Services, Tivoli Court, 239-241 Bourke Street, Melbourne, Vic 3000

CLARKE, Mr Christopher, Organiser, Administrative and Clerical Officers Association, 393-397 Swanston Street, Melbourne, Vic 3000

FRANKLYN, Mr Peter Anthony, Project Manager, Australian Construction Services, Department of Administrative Services, Tivoli Court, 239-241 Bourke Street, Melbourne, Vic 3000

LEONG, Mr Harry Chan-Hing, Principal Design Architect, Australian Construction Services, Department of Administrative Services, Tivoli Court, 239-241 Bourke Street, Melbourne, Vic 3000

PEEL, Mr William, Assistant General Manager, Estate Services, Australian Property Services, Department of Administrative Services, Central Office, GPO Box 1920, Canberra, ACT 2601

CONSTRUCTION DETAILS

MATERIALS AND FINISHES

External walls

External walls will be concrete with an applied finish.

Internal Walls

Internal walls will be rendered and painted. Ceilings will be suspended acoustic tiles and plasterboard.

Floor Finishes

Carpet will be laid in office areas. Ceramic tiles will be used in wet areas. Ground level entrance foyer and forecourt will incorporate selected paving.

The Plowman residence

The main fabric of this building will be maintained as existing including the internal stair with services and finishes upgraded to make it adaptable for use as office accommodation.

ENGINEERING SERVICES

Structure

Geotechnical investigation of the site has revealed that the building will be founded on a loose to medium dense sand stratum.

The structure is proposed to be of reinforced concrete construction with columns spaced at 7.8 m. The roof will be steel framed.

Floors will carry normal office loads of 5 kPa with selected areas capable of supporting compaction loads.

Internal columns will be supported on separate pad footings. Foundation for external columns will be integrated with a retaining wall at the basement.

A contiguous bored pier wall on three sides of the Plowman residence will protect this building.

Mechanical

Office air-conditioning will be provided from a single variable volume air handling unit, located at basement level. The air handling unit is equipped with economy cycle controls. Domestic hot water will be supplied to all toilets, tea rooms and cleaners' rooms from a gas-fired unit in the basement plant room.

Exhaust systems will be provided to ventilate the basement car-park, toilets, cleaners' rooms, tea rooms, lift motor room and gas meter room.

Electrical

Power will be supplied from an SECV substation to be established in the basement of the building.

A main switchboard will be located at basement level with distribution switchboards on each floor.

Lighting throughout the building will be designed to provide levels of illuminance in accordance with AS 1680 "Interior Lighting and Visual Environment".

The following power and communication systems will be provided:

- general purpose power outlets
- special purpose power facilities
- telephone block cabling
- computer cabling.

The following emergency services will be provided:

- emergency evacuation lighting
- emergency warning and intercommunication system
- thermal fire detection and alarm system.

Fire Services

The building will incorporate a hydrant/hose reel system designed in accordance with the requirement of the Country Fire Authority and the Victorian building regulations.

An automatic wet pipe sprinkler system will be provided in the basement car-park and will be designed according to the requirements of the sprinkler code AS 2118.

Portable fire extinguishers will be provided throughout the building.

Hydraulics

The hydraulic services will comprise the following:

- water supply for the domestic and fire services requirements
- sanitary plumbing and drainage system
- stormwater drainage system will comply with the relevant authorities' codes and regulations.

Lifts

One electro-hydraulic lift with a capacity of ten persons will be provided, which will service all floors.

Civil Works and Landscaping

Access and egress for vehicles has been designed in consultation with the Frankston City Council.

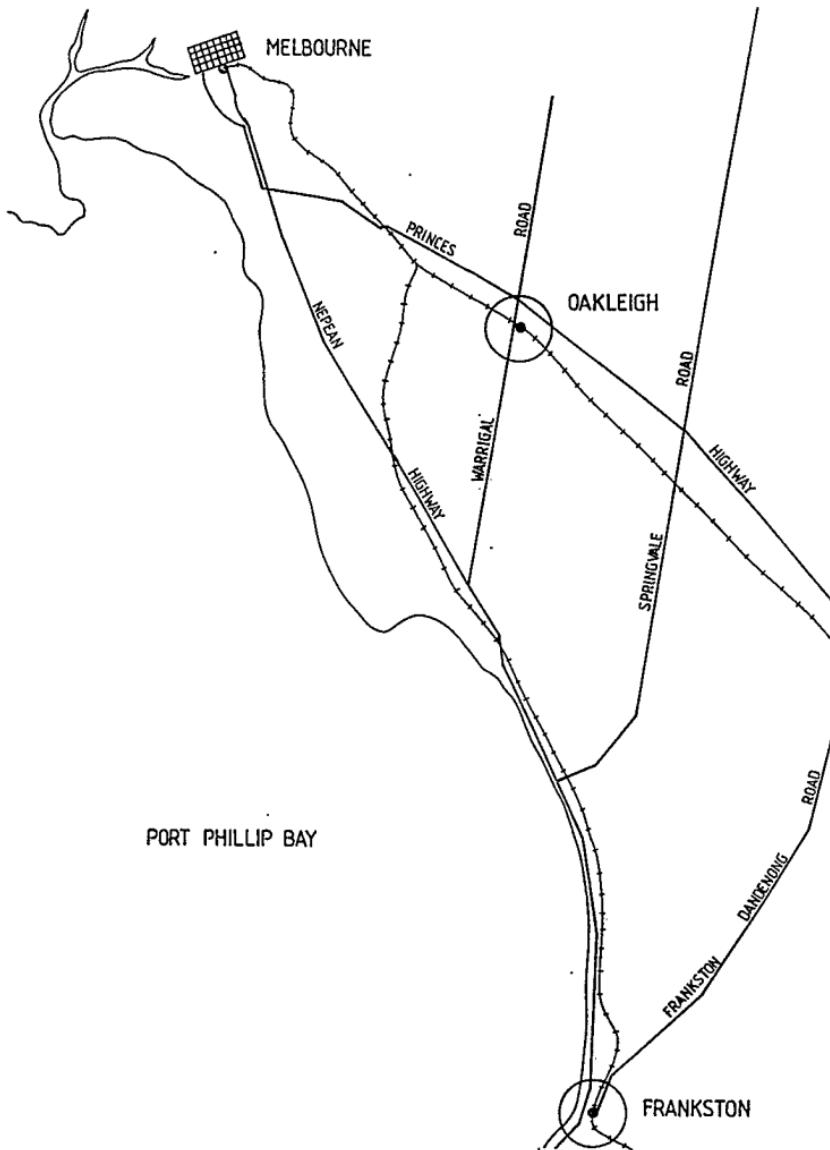
Thirty-six car-parking spaces will be provided in the basement and seventeen on the eastern side of the building at ground level. There is provision for handicapped car-parking at both basement and ground levels.

The existing mature trees will be retained and the landscaping will utilise these in the proposal.

APPENDIX C

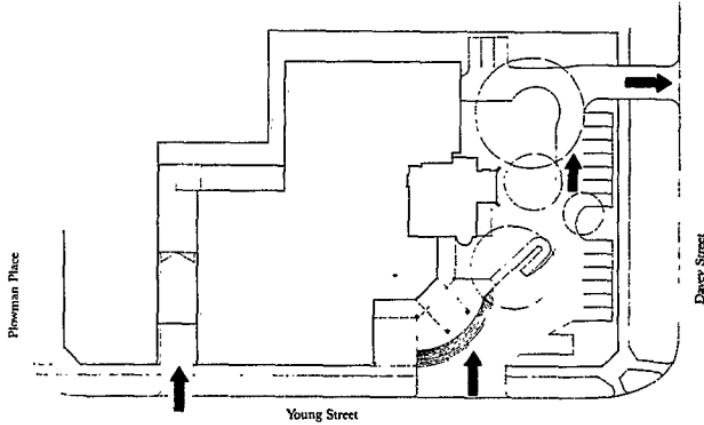
ILLUSTRATIONS

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c2

LOCATION MAP

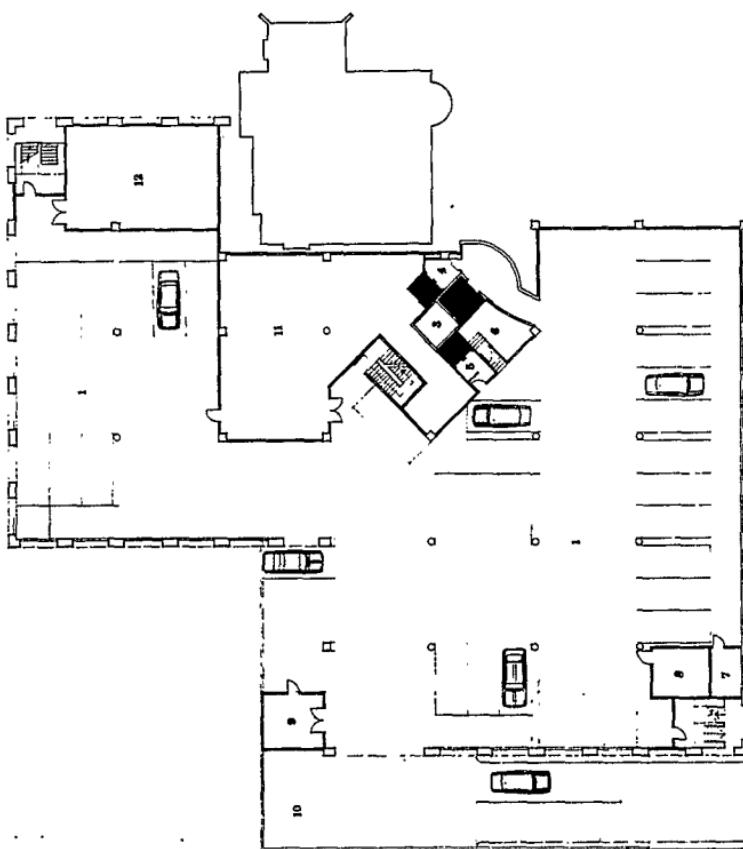


SITE PLAN

BASEMENT PLAN

LEGEND

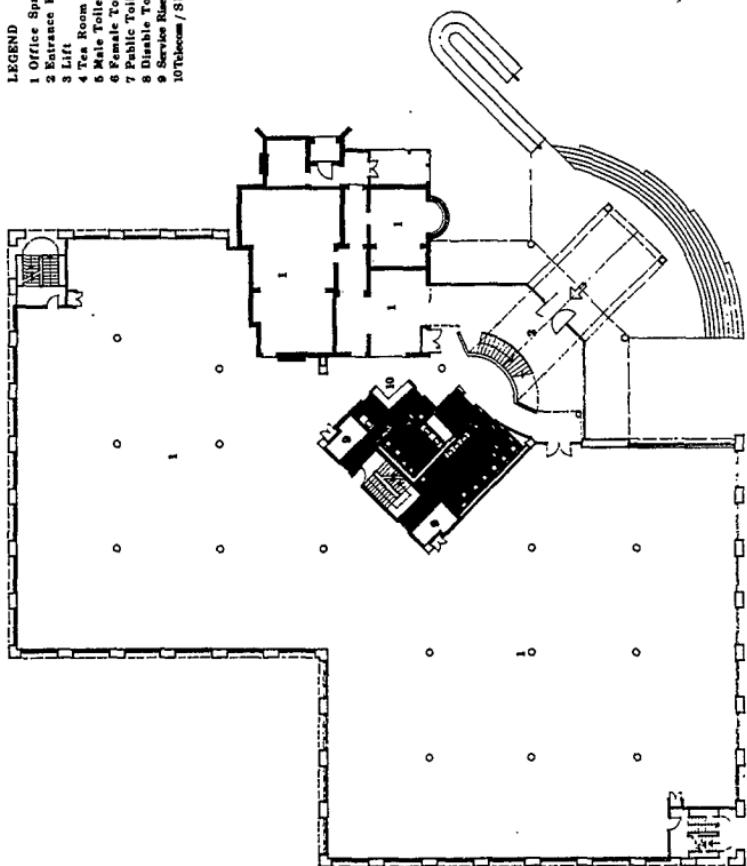
- 1 car park
- 2 lift
- 3 Jiff smoke room
- 4 female shower
- 5 male shower
- 6 main switchroom
- 7 gas meter room
- 8 carpark exhaust fan room
- 9 substation
- 10 waste collection
- 11 plant room
- 12 store



GROUND FLOOR PLAN

LEGEND

- 1 Office Space
- 2 Entrance Poyer
- 3 Lift
- 4 Tea Room
- 5 Male Toilet
- 6 Female Toilet
- 7 Public Toilets
- 8 Disable Toilets
- 9 Service Room
- 10 Telecom / S.E.C. Cupbols

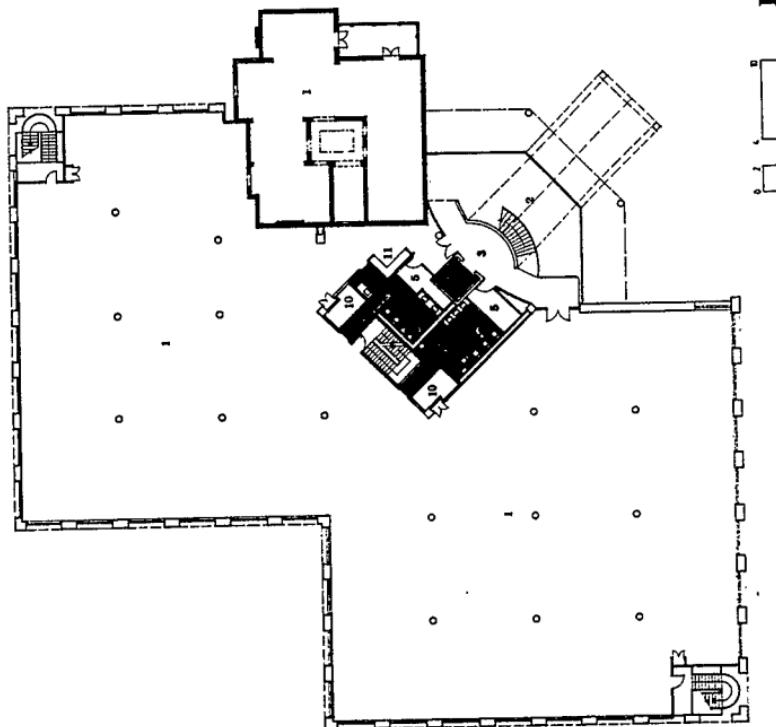


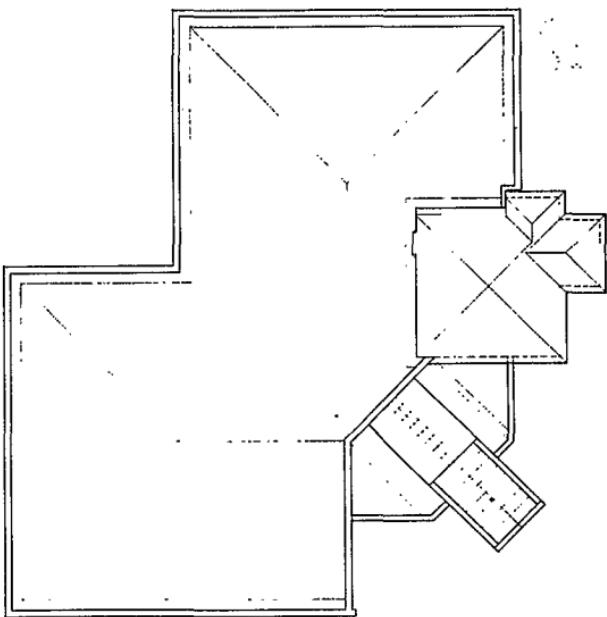
FIRST FLOOR PLAN



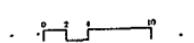
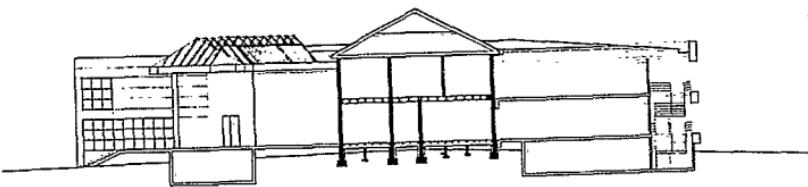
LEGEND

- 1 Office Space
- 2 Ground Floor Poyer
- 3 Lift Lobby
- 4 Lift
- 5 Stores
- 6 Tea Room
- 7 Male Toilet
- 8 Female Toilet
- 9 Disable Toilet
- 10 Service Riser
- 11 Telecom / SEC Cupboards





ROOF PLAN

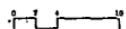


SECTION

C8

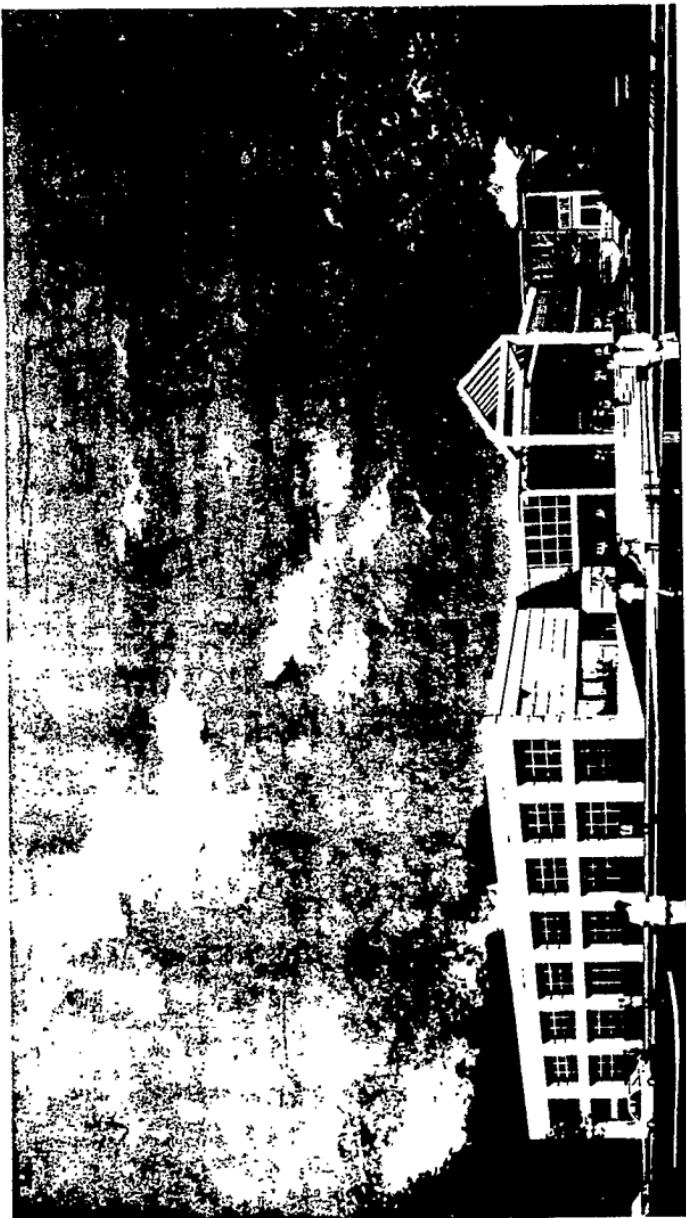


NORTH ELEVATION



EAST ELEVATION

C10



APPENDIX D

DESIGN BRIEF

Office Space

The development will provide a net usable floor area of 3500 m².

Standards

The design is based on the Guidelines for the Design of Commonwealth Office Buildings and relevant Commonwealth Construction Standards, Codes of Practice and Australian Standards.

Shop-front Accommodation

The design will maximise the provision of shop-front accommodation on two levels.

Car-parking

The design will provide secure basement parking for vehicles with access from Young Street and an additional seventeen spaces at ground level on the Davey Street frontage for visitors' parking.

Security

Internal and perimeter security will be required commensurate with risk and will be determined by tenant requirements. Allowance will be made for security of discrete tenancies.

Services

Design of services will provide sufficient flexibility for changes in tenancy and tenant requirements.

Cabling and Screen-based Equipment

In line with the trend towards increased screen-based equipment, provision will be made for extensive cable reticulation.

Air-conditioning

All office areas will be fully air-conditioned with system design and capacity adequate for the proposed user requirements.

Floor Design

Floor design will be open office space to facilitate flexible fitout.

Staff Amenities

Staff amenities will be provided in accordance with the Code of Practice for the Provision of Amenities in Commonwealth Government Employment.

Space Allocation

For design purposes a space allocation rate of 15 m² per person will apply.

Disabled Access and Facilities

Access and facilities for the disabled will be incorporated in the design.

Public Toilets

Separate toilet facilities including a unisex disabled toilet will be provided for public use.

Loading Bay and Refuse Disposal Area

Suitable provision will be made for access and egress for delivery and rubbish removal vehicles.

Cleaners' Rooms

A cleaners' room will be provided on each floor and a storeroom will be provided for toilet requisites and cleaners' supplies.

Electrical Services

Lighting is to be normal office standards in accordance with relevant codes.

Fire Protection

Building design and fire safety equipment will meet relevant Commonwealth and State requirements.

Lift

A lift will be provided in the main service core and will extend to the basement.

Energy Management

Energy conservation and efficiency will be incorporated in the design (envelope, materials, orientation, etc) and outfitting (lighting, air-conditioning, window treatment etc) of the building.

Planning and Building Standards

The design will meet relevant Commonwealth and State planning and building regulations.

Completion

Construction and fitout will be staged to allow for completion in late 1990.