

Office Accommodation Management Framework

Framework Policy

Guideline 2: Space

Reference 1

Policy and guidelines for the use of owned and private sector leased government office accommodation



Queensland
Government

CONTENTS

1.0 Introduction	3
2.0 Purpose	3
3.0 Objectives	3
4.0 Application.....	3
5.0 Definition.....	4
6.0 Operating Principles	4
7.0 Roles and responsibilities	4
8.0 Office building construction and ownership	6
9.0 Office building leasing	6
10.0 Occupancy	7
11.0 Vehicle parking.....	7
12.0 Rental rates.....	7
13.0 Office accommodation in regional centres.....	7
14.0 Office Accommodation Workspace and Fitout Standards	8
15.0 Performance indicators.....	8
16.0 Office Accommodation Program	9
17.0 Additional information	9

1.0 Introduction

This reference forms part of the Office Accommodation Management Framework (OAMF) suite of documents. The OAMF integrates policies, process, activities and guidelines for government agencies in relation to establishing office accommodation needs, acquiring and fitting out suitable space, utilising that space effectively and managing the accommodation-change process.

Policy and guidelines for the use of owned and private-sector office accommodation were approved in Cabinet decision number 04040, dated 12 September 1994. This document is consistent with the original Cabinet-approved arrangements and the *Occupancy Agreement for government accommodation between the Department of Housing and Public Works (HPW) and agencies (Occupancy Agreement)*. This reflects changes in organisational structures and terminology subsequent to the original Cabinet-approved arrangements.

2.0 Purpose

The purpose of this reference is to describe the principles, procedures, rights and obligations involved in the occupancy of office accommodation in government-owned office buildings and in buildings leased by the Government from the private sector.

3.0 Objectives

The general objective of this reference is to support the Office Accommodation Management Framework (OAMF) and to provide a clear basis for government agencies (agencies) to occupy government office accommodation in accordance with the requirements of Cabinet and the Government Office Accommodation Committee. In addition, this reference facilitates:

- the effective provision and management of government office accommodation
- the maximised utilisation of government-owned office buildings
- the provision of suitable, cost-effective and timely office accommodation for agencies
- office accommodation changes
- the alignment of government office accommodation use with commercial office
- accommodation market practice
- contribution to the office accommodation needs of eligible, community-based organisations.

4.0 Application

The arrangements in this reference apply to all Queensland Government departments as defined in s8 of the *Financial Accountability Act 2009* and to all Queensland Government statutory authorities that are wholly or partly funded through the Queensland state budget.

These arrangements apply to commercialised business units but do not apply to Queensland Government corporations.

Certain legislation applies to office fitout design and construction. For example, office fitout and use must comply with the *Work Health and Safety Act 2011* and associated regulations, the *Building Act 1975* and incorporated regulations and codes, the *Disability Discrimination Act 1992*, the *Anti-Discrimination Act 1991* and applicable legislation related to smoking.

In the case of government-owned office buildings and Leased office buildings, these arrangements should be read in conjunction with the Occupancy Agreement and head lease if applicable. Leased office buildings include both Major Leased and Other Leased buildings leased by the State of Queensland from the private sector.

Non-government tenants occupy government office accommodation under formal agreements or leases. Further advice regarding applicability is available from HPW.

5.0 Definition

Queensland Government office accommodation is broadly defined as the space in a building where the executive, administrative, technical and professional work of agencies is performed in either Government-owned buildings or in private sector leased premises.

6.0 Operating Principles

The five operating principles for the use of Queensland Government office accommodation and services are:

- whole-of-government needs take precedence over single agency's preferences when benefits to government are to be realised or when cost savings can be achieved.
- agencies are to be represented in office accommodation matters by one authority, HPW, and must not compete in the marketplace. HPW is the managing authority for all government office accommodation (both owned and leased from the private sector) including office accommodation leased between other agencies.
- office accommodation in government-owned buildings must be used in preference to acquiring additional accommodation leased from the private sector.
- Directors-General and Chief Executive Officers (CEOs) are responsible and accountable for their agencies' utilisation of office accommodation and office accommodation services within this framework.
- office accommodation and services are to be provided and utilised on a commercial, market-comparable and user-pays basis.

7.0 Roles and responsibilities

7.1 Cabinet

Cabinet may consider office accommodation-related matters from time to time and make decisions on general and specific office accommodation issues. Cabinet is the body of final decision in relation to the interpretation and implementation of the arrangements contained in this reference.

7.2 Government Office Accommodation Committee (GOAC)

The role of GOAC is to formulate and review strategies and guidelines in relation to the planning, provision and management of office accommodation for agencies.

GOAC's responsibilities have been approved by Cabinet to be:

- determination of the overall strategic direction and approach for the ownership and

- management of the government's office building portfolio consistent with government policy
- endorsement of office accommodation dealings/strategies comprising purchases, disposals, refurbishments, redevelopments related to government-owned office buildings, and approval of leases greater than 5000m² in non-government-owned buildings (including coordination of appropriate submissions for ratification and/or financial endorsement of these dealings/ strategies)
- endorsement, review and auditing of accommodation standards and guidelines in terms of
- quantity and quality
- supervision of the performance of the government's office building estate through reporting from HPW based on appropriate performance indicators, benchmark targets and Occupants' satisfaction levels
- acceptance and actioning of agencies' submissions related to office accommodation issues, including the final determination on lease or relocation options which are potentially inconsistent with a GOAC-endorsed strategy
- provision of an Annual Estate Report.

7.3 Department of Housing and Public Works

HPW is responsible and accountable for managing its portfolio of owned and leased office accommodation.

The Department's role in relation to office accommodation and GOAC involves:

- coordination of office accommodation for the Government at a strategic level including
- allocation of space within the government's office accommodation portfolio
- provision of technical and financial strategic advice related to office accommodation including the development of cost-effective solutions for the provision and utilisation of government office accommodation
- development and implementation of acquisition, refurbishment, rationalisation and disposal
- strategies for office accommodation and office building assets
- performance of GOAC's secretariat function
- development, review and monitoring of guidelines for the occupancy of government office
- space
- development, review and implementation of standard government leasing documentation;
- negotiation and management of all leases in non-government-owned office buildings
- including rent reviews and 'make good' negotiations
- benchmarking of office accommodation performance
- approval of private sector leases of less than 5000m²
- consultation and liaison with agencies, local authorities and the property industry in the
- development of office accommodation strategies
- provision of advance information to Queensland Treasury for financial advice and comment for
- inclusion in GOAC submissions that have an overall budget impact
- management of HPW's Office Accommodation Program and Capital Works Program as it relates
- to office facilities
- formulation, auditing and review of workplace guidelines and standards in terms of quantity,
- quality, ergonomics and environmental sustainability
- preparation of annual office estate performance reports that include revenue and operating costs, vacancy rates and Occupant satisfaction, benchmarked to the performance of office estates owned by other similar governments and the private sector
- liaison with GOAC and with other accommodation bodies in the public and private sectors
- acceptance of accommodation-related community submissions and provision of advice to
- GOAC regarding these submissions

- the financial tenancy management of government office accommodation, including billing and collection of payments for office accommodation and accommodation services, making contractual payments for leased office accommodation and accommodation services
- making internal government payments for office accommodation-related services.

7.4 Agencies

Agencies are responsible for:

- establishing office accommodation requirements according to service delivery needs
- complying with applicable legislation
- acquiring, occupying, using and vacating office accommodation in accordance with, the policy and guidelines described in this reference, the *Occupancy Agreement*, and lease conditions applicable to office accommodation leased from the private sector
- payment of rent and charges for office accommodation.

8.0 Office building construction and ownership

Generally, HPW assumes the ownership of, and role of landlord for, new government office buildings and existing office buildings except for those currently owned and/or controlled by other agencies.

HPW is the sole agency responsible for the construction of new government office buildings unless otherwise approved by GOAC.

Agencies must not acquire (construct or purchase) office buildings in whole or in part without GOAC approval in principle. Any such acquisitions are also subject to the normal budget process including the Cabinet Budget Review Committee process. Any agency considering construction, extension or purchase of office space may make submission to GOAC for approval. Refer to Planning section Practice Note: Preparing a submission to the Government Office Accommodation Committee (GOAC).

Agencies may acquire operational service delivery facilities such as research establishments, field stations, clinical facilities or police stations. However, the office accommodation components within these facilities should be consistent with the workspace fitout standards. The HPW should be consulted if the circumstances are unclear.

9.0 Office building leasing

HPW is responsible for negotiating, acquiring and managing Government office accommodation leased from the private sector. HPW becomes the lessee when a lease is established, and agencies occupy the space under an Occupancy Agreement that requires the occupying agencies to comply with the terms and conditions set out in the Occupancy Details Schedule (referred to as 'the Schedule'), Occupancy Agreement and head lease.

If office accommodation is to be leased from the private sector under precommitment lease arrangements, the process is to be managed by HPW on behalf of Occupying agencies.

Except where other arrangements are currently in place, agencies must not negotiate nor enter into private sector office accommodation leases, including precommitment leases.

10.0 Occupancy

Occupancy of government-owned and Leased office buildings is subject to the terms set out in the Schedule and Occupancy Agreement. Generally, tenure is continuous and secure, unless:

- the space is required for another Occupant as part of a whole-of-government accommodation strategy
- the accommodation does not meet the changed service delivery needs of the occupying agency;
- the building is sold with vacant possession as a condition
or
- the building needs to be vacated for refurbishment or safety reasons.

Government-owned and Leased office buildings are occupied under the *Occupancy Agreement*.

11.0 Vehicle parking

Occupants in government-owned and Major Leased office buildings must use the parking in those buildings in preference to Other Leased private sector parking.

Vehicle parking that forms part of a private sector lease must not be sublet without the agreement of HPW.

If insufficient vehicle parking is available, HPW will arrange additional parking suitable to Occupants. Where practical, available parking in owned and Major Leased buildings must be used in preference to leasing additional private sector parking.

12.0 Rental rates

12.1 Government-owned office buildings

Rental rates in government-owned office buildings are based on independent valuation and align generally with current commercial market rates. Rents are reviewed on a two yearly cycle and the rent review date for implementation of revised rents is 1 July for year 2019 and every two years thereafter. For additional information, please refer to the Occupancy Agreement or contact HPW.

12.2 Leased office buildings

The rental rates for Leased office buildings are negotiated in accordance with the head lease between the building owner and HPW on behalf of the State of Queensland. Rent review dates are those specified in each head lease. HPW will negotiate the best rent review outcome as part of its lease management responsibilities and advise agencies of applicable rental rates. For additional information, please refer to the Occupancy Agreement or contact the HPW.

13.0 Office accommodation in regional centres

The utilisation of office accommodation in regional centres needs special consideration to ensure that proposals are consistent with the government priorities and local government objectives. In particular, government policy requires agencies to remain in the central business area of regional centres (unless that location would be unsuitable for the service delivery or client base) and to relocate office accommodation from suburban locations to the central business areas of regional centres whenever practical.

14.0 Office Accommodation Workspace and Fitout Standards

Office Accommodation Workspace and Fitout Standards have been developed by HPW and are included as a supporting document with *Guideline 3: Fitout*.

15.0 Performance indicators

HPW is responsible for setting and monitoring office accommodation performance targets and benchmarks. Performance indicators and benchmarks are established to align with both private sector and public sector commercial performance and best practice.

15.1 Ministerial Program Statement

Office accommodation performance indicators are included in the annual Ministerial Program Statement for HPW as follows:

Measure	Target
Area of office accommodation managed	Varies*
Number of accommodation strategies completed	4
Vacancy rate	< 2.5%
Value of lease incentives and savings	Varies*
Return on investment (office buildings)	Varies

*Please refer to current Ministerial Program Statement

15.2 Other performance indicators

Other performance indicators include:

- office workspace (area) standards
- office fitout project cost rates (\$/m² and \$/person)
- workplace density
- sustainably office building ratings.

15.3 Reporting

In addition to quarterly reporting for the Ministerial Program Statement, HPW benchmarks office accommodation performance with other states through the Government Real Estate Group on a six monthly basis.

HPW is also required to prepare an annual Office Estate Report for the Cabinet Budget Review Committee.

Additional reports, submissions and information papers are provided to GOAC periodically.

16.0 Office Accommodation Program

The Office Accommodation Program (OAP), administered by HPW, is an annual program with a value of approximately \$12.6 million. The purpose of the OAP is to fund office accommodation projects that deliver whole-of-government benefits and benefits to individual agencies. Priority will be given to projects that form part of accommodation strategies or projects required to implement government policy (including changes to Ministerial Portfolios).

Agencies may make submissions to HPW for OAP funding for specific projects. Preference is given to those projects that incorporate a whole-of-government benefit.

OAP funding is provided for projects in government-owned office buildings and office buildings leased by government from the private sector. Funding from the OAP is not available for office accommodation projects in buildings owned or controlled by other agencies.

17.0 Additional information

Additional information, assistance and advice is available from HPW. Contact information is available at <http://www.hpw.qld.gov.au/FacilitiesManagement/GovernmentFacilities/OAMF/FrameworkPolicy/Pages/default.aspx>