

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

VACANT PREMISES

ABOUT THE DIRECTORATE

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) provides strategic advice and support to the Chief Minister, the Directorate's Ministers and the Cabinet on policy, economic and financial matters, service delivery, whole of government issues and intergovernmental relations. As a central agency, CMTEDD leads the strategic direction for the ACT Public Service (ACTPS) and works collaboratively to implement government priorities and drive initiatives, to ensure that it is well positioned to meet the needs of the Canberra community.

Treasury, within CMTEDD, is responsible for a diverse range of functions. These include management of the Territory's finances, including collecting and managing taxation revenue; the Government's financial assets and liabilities, including superannuation liabilities and investments; and providing advice to ACT Government and its agencies on budget and financial management. Treasury also develops and implements economic, revenue and regulatory policy and advises on federal financial relations. Treasury is also responsible for commercial services provided to ACT government directorates and agencies, including accounts payable, payroll, ICT, HR, insurance, goods and services procurement, property management and capital works project delivery. ACT Property Group within CMTEDD is responsible for the management and oversight of the Territory's owned and leased office space.

ACT Property Group (ACTPG) vacant premises are those parts of government office facilities within the ACT Government's property portfolio which are temporarily vacant. An amount of floor space may be temporarily vacant for a variety of operational reasons, which can include the time taken to facilitate a renovation or fit-out of office space, transitioning occupants out of a building prior to demolition, or where an area may remain vacant for a small time either side of using that for churn space while relocating occupants across buildings. It is common to have vacant office space while undertaking relocations of agencies and business units and is typical of managing a large portfolio of properties and leases. It is always the intent of ACTPG to minimise the amount and duration of any vacant office space.

In 2017, temporary vacant premises included Macarthur House, 255 Canberra Avenue and Callam Offices. Macarthur House underwent a staged process of relocating staff prior to demolition, 255 Canberra Avenue had a portion vacant to allow for a new fit-out to improve the business service of ACT Property Group, and Callam Offices had a fit-out to improve the building and attract new tenants. Further details on these sites can be found below.

KEY PERFORMANCE INDICATORS

In practice there is minimal energy used in the reported vacant areas, however there is a requirement to continue operating some central building services such as fire systems, security and lifts. Lighting and HVAC (heating, ventilation and air-conditioning) systems are turned off or isolated as far as practical, although typically with large central heating and cooling plant these are still required to serve the occupied areas.

While for the reasons stated above the actual energy use will be minimal, the Enterprise Sustainability Platform (ESP) allocates energy and emissions on a proportional floor area basis (total building energy use x % floor area). As such the energy use from the central services and occupied areas will be allocated evenly across the entire building, with vacant premises reporting a proportion of that energy.

Due to the increase in temporary vacant premises of the facilities mentioned above, for 2017-18, ACTPG vacant premises is expected to have a 110% increase in electricity use and 360% increase in gas use compared to the 2016 annual baseline consumption. Whilst these are relatively large increases, the 2016 data provides a low baseline as there was minimal vacant floor area during this period. The above 2017-18 energy target was particularly affected by the timing of the Macarthur House sale and demolition coupled with the requirement to maintain a functional data centre in the building to February 2018. Overall energy use of ACTPG Vacant Premises in 2017 represented only 1.22% and 1% of ACT Government electricity and gas use respectively.

COMMENTS ON THIS QUARTER

- > In Q1 2017-18, increased energy use by ACTPG vacant premises aligns to the progress of Strategic Office Accommodation goals as well as facilitating the asset recycling program.
- > Macarthur House – Part of the Federal Government's asset recycling program. The increase in vacant space in Q1 was due to the relocation of occupants which occurred in a staged manner prior to demolition in early 2018. Macarthur House has higher energy use than average office building due to the high energy demand of the data centre located there, which is to remain operational to early 2018.
- > 255 Canberra Avenue – Increased vacant space compared to the previous year was due to the relocation of Access Canberra staff to Cosmopolitan Centre. Vacant office space was under renovation.
- > Callam Offices – Vacant through use as ACT Government churn space and completion of a fit-out to attract new tenants.
- > Despite the large increase in energy use during Q1, energy performance will improve in Q3 and Q4 2017-18 after the data centre in Macarthur House is decommissioned to prepare for sale, and renovated vacant offices are gradually leased out. As a result annual energy use by ACTPG vacant premises is expected to meet the energy target in 2017-18.

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VACANT PREMISES

COMMENTS

ACHIEVEMENTS

- > Increased energy use by ACTPG vacant premises in Q1 aligns to the progress of Strategic Office Accommodation goals as well as facilitating the asset recycling program.
- > While there has been a large increase in electricity and gas use for Q1 performance, in absolute terms this represents only 1.22% and 1.00% of ACT Government electricity and gas use respectively.

UNCERTAINTIES/CONSTRAINTS

- > Temporary vacancy of 255 Canberra Avenue and Callam Offices was due to the relocation of Access Canberra in 2017.
- > Comparatively colder weather in 2017-18 has contributed to an increase in gas use for space heating.
- > Future directorate and external accommodation decisions can affect the accuracy of projections.

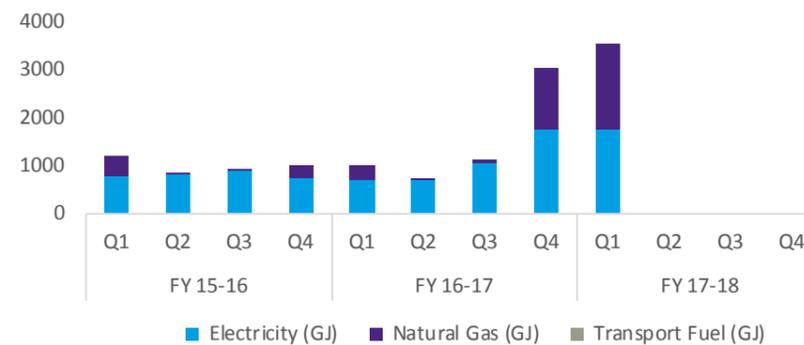
FOCUS AREAS/OPPORTUNITIES

- > Continue to complete office relocations and fit-outs on time and in an efficient manner.
- > Continue the staged vacancy of Macarthur House to facilitate timely progression of the asset recycling program prior to demolition.
- > Progress renovations in 255 Canberra Avenue and Callam Offices to assist in the attraction of new tenants.

DATA EXTRACTED

10/04/2018

3 YEAR ENERGY CONSUMPTION PROFILE



QUARTERLY ENERGY CONSUMPTION

	Q1 17-18	Difference*	tCO ₂ -e [^]
Electricity (GJ)	1,766	152.5%	211
Gas (GJ)	1,795	458.0%	92
Total energy (GJ)	3,561	248.7%	303

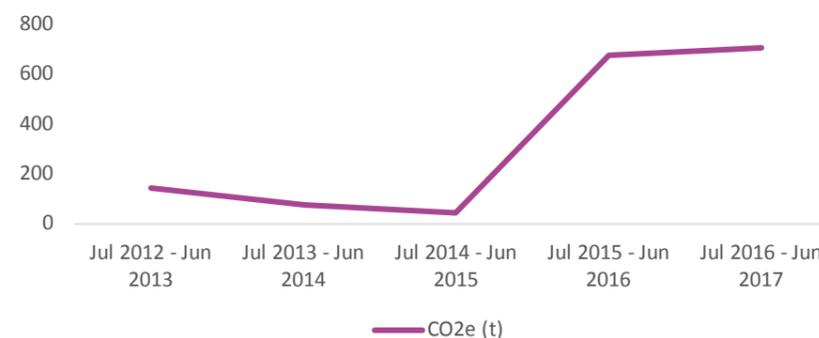
* Compared to the same period previous year
[^] Related to current reporting period

FINANCIAL YEAR TO DATE ENERGY CONSUMPTION

	YTD 17-18	Difference*	tCO ₂ -e [^]
Electricity (GJ)	1,766	152.5%	211
Gas (GJ)	1,795	458.0%	92
Total energy (GJ)	3,561	248.7%	303

* Compared to the same period previous year
[^] Related to current reporting period

EMISSIONS PROFILE SINCE 2012-13



DG INDICATOR

Q1 2017-18

(July to September 2017)

ACTPG VP is expected to have a 110% increase in electricity and 360% increase in gas use due to the progress of Strategic Office Accommodation goals and facilitating the asset recycling program. CMTEDD is ensuring the effective internal governance of energy performance reporting.

FINANCIAL YEAR TO DATE ENERGY CONSUMPTION AT FOCUS SITES

Location	Energy (GJ) [#]	Difference*	tCO ₂ -e [^]
Macarthur House	1,698	100%	146
Callam Offices	948	-0.3%	89
255 Canberra Avenue	914	100%	68

[#] includes Electricity and Natural gas only

* Compared to financial year to date 2016-17

[^] Related to current reporting period