

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

VACANT PREMISES

ABOUT THE DIRECTORATE

The Chief Minister, Treasury Economic Development Directorate (CMTEDD) leads the public sector and works collaboratively both within government and with the community to achieve positive outcomes. As a central agency, 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. The Directorate facilitates the implementation of government priorities, drives initiatives as well as leads the strategic direction for the ACT Public Service (ACTPS), to ensure that it is well positioned to perform its role.

ACT Property Group (ACTPG) vacant premises (within the Treasury stream of CMTEDD) 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 2017-18, temporary vacant premises with material consumption 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) also 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 was expected to report an allocated 110% increase in electricity and 360% increase in gas compared to the 2016 calendar year baseline period. Whilst these are relatively large increases, the 2016 comparison year provided a low baseline with minimal vacant floor area during this period. The 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 allocated to the ACTPG Vacant Premises reporting group in the 2017-18 period represented only 1.1% and 0.7% of ACT Government electricity and gas use respectively.

COMMENTS ON THIS QUARTER

- > In Q4 2017-18, energy use allocated to ACTPG vacant premises decreased by 52% compared to Q4 2016-17.
- > Macarthur House – Reported no energy against ACTPG vacant premises in Q4, due to the sale and demolition of the facility in Q3 2017-18.
- > Callam Offices – Remained partially vacant following completion of a fit-out to attract new tenants. ACTPG has continued to actively market space to Government agencies and commercial tenants during Q4.
- > 255 Canberra Avenue – ACTPG relocated from its existing office on the Ground Level to the new fitout on Level 1 during Q3 2017-18. The vacated floor area on Ground Level was remained vacant until 30 June 2018 with TCCS agreeing to fully occupy the remaining space from 1 July 2018.
- > The energy use allocated to ACTPG vacant premises in 2017-18 was less than the annual energy target set at the beginning of the year, and was in line with expectations around the implementation of the Strategic Office Accommodation Strategy and the asset recycling program.

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VACANT PREMISES

COMMENTS

STATUS

- > ACTPG Vacant Premises **achieved** its energy targets against the 2016 energy consumption level.
- > The increased energy consumption reported against ACTPG vacant premises was essential in achieving the outcomes of the strategic office accommodation strategy, and the asset recycling program.
- > The actual increase in energy reported against vacant premises was in line with the projected target.

UNCERTAINTIES/CONSTRAINTS

- > Comparatively colder weather in 2017-18 has contributed to an increase in gas use, despite achieving the target.
- > Uncertainty around future directorate and external accommodation decisions can affect the accuracy of projections.

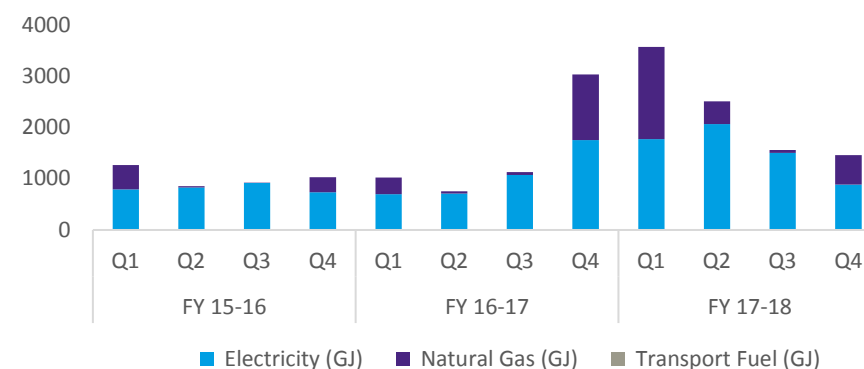
FOCUS AREAS/OPPORTUNITIES

- > Macarthur House will have no energy associated with vacant premises reported in 2018-19.
- > Callam Offices will continue to market vacant premises in an effective manner.
- > 255 Canberra Ave is expected to have no vacant premises reported in 2018-19, with Transport Canberra and City Services commencing occupation from July 2018.
- > Continue to effectively manage tenant relocations and fitouts, minimising vacant premises in the process.

DATA EXTRACTED

31/08/2018

3 YEAR ENERGY CONSUMPTION PROFILE



QUARTERLY ENERGY CONSUMPTION

	Q4 17-18	Difference*	tCO ₂ -e [^]
Electricity (GJ)	885	-50%	112
Gas (GJ)	577	-55%	30
Fuel (GJ)	n/a	n/a	n/a
Total energy (GJ)	1,462	-52%	142

* 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)	6,234	47%	788
Gas (GJ)	2,869	68%	148
Fuel (GJ)	n/a	n/a	n/a
Total energy (GJ)	9,103	53%	936

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

DG INDICATOR

Q4 2017-18

(April to June 2018)

ACTPG vacant premises was expected to have a 110% increase in electricity and 360% increase in gas use allocated to the reporting group for 2017-18, versus the 2016 calendar year comparison period.

The actual results were better than predicted with a 104% and 334% increase respectively.

PERFORMANCE AGAINST TARGET

	17-18 Target ¹	17-18 Actual
Electricity	110%	104%
Gas	360%	334%
Total energy	n/a	n/a

¹ Target based on calendar year 2016 data and reflects Director-General performance indicator results

FINANCIAL YEAR TO DATE ENERGY CONSUMPTION AT FOCUS SITES

Location	Energy (GJ) [#]	Difference*	tCO ₂ -e [^]
Macarthur House	3,633	74%	372
Callam Offices	3,017	-1.4%	335
255 Canberra Avenue	2,347	240%	215

[#] Electricity and Natural gas only
^{*} Compared to financial year to date 2016-17
[^] Related to current reporting period