



**ACT**  
Government

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Economic Development

# **ACT Government Real Estate Policy**

**September 2011**

# ACT Government Real Estate Policy

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## Overview

This document outlines the ACT Government's policy for the management of ACT Government Real Estate (GRE). It is subordinate to the *ACT Government Asset Management Strategy and Framework and Guidelines for Asset Management*.

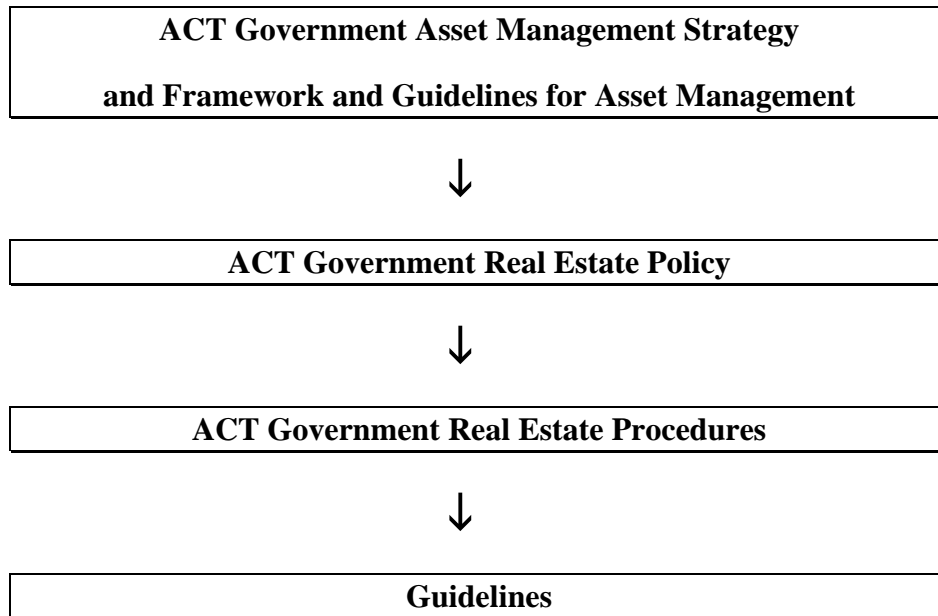
The purpose of the policy is to provide a sustainable, consistent and effective approach to property management. The policy is administered by the ACT Property Forum, which is chaired by the Director General of the Economic Development Directorate (EDD). The Property Forum is an inter-departmental committee which provides leadership and co-ordination on Government property policy and practices.

Issues covered in this policy are:

- Establishment of Procedures
  - Compliance with ACT GRE Procedures
- Custodianship Responsibilities
- ACT Government Office Accommodation
  - Storage by Government Entities
  - Parking
  - Smoking Exclusion Zone
- Fit Outs
- Sustainability
- Condition of Property
- Tenancy Leases and Licences from Private Sector
- Licences and Subleases to Non-Government Entities
  - Storage by Non-Government Entities
- New Buildings/Structures
- Surplus Real Estate
- Properties of Special Significance
- Security
- Emergency Management

This policy supports the overarching *ACT Government Asset Management Strategy and Framework and Guidelines for Asset Management* by providing specific policy relating to the strategic planning and management of the ACT Government's Real Estate Portfolio.

The policy is complemented by a set of GRE Procedures and a suite of Guidelines. All Procedures are to be agreed by the ACT Property Forum or, if appropriate, higher authority prior to incorporation into the GREP. The Procedures include all relevant statutory requirements associated with the implementation of the GRE Policy. The Guidelines are a compendium of relevant documents describing policies and issues that need to be taken into account when developing and implementing GRE Procedures.



## Application

This policy applies to all GRE and properties leased by the ACT Government (as represented by Directorates and Authorities) from the private sector. Except where specifically provided throughout the document, all Directorates and Authorities with custodianship responsibilities for GRE and leased private sector properties are required to comply with this policy. This policy does not seek to direct the planning processes of land as administered by the Environment and Sustainable Development Directorate.

From time to time, the set of GRE Procedures will be updated and expanded to reflect Government objectives.

## Definitions

**ACT Property Group** – means Property Group of the Territory and Municipal Services Directorate.

**Directorates and Authorities** (including a Directorate or an Authority) – means and includes any administrative unit, or a Territory entity under the *Auditor-General Act 2001* (excluding the University of Canberra, a Territory-owned corporation or another entity established under the *Corporations Act 2001 (Cth)*).

**Australian Capital Territory** – means:

- 1) when used in a geographical sense, the Australian Capital Territory; and
- 2) when used in any other sense, the body politic established by section 7 of the *Australian Capital Territory (Self Government) Act 1998* (Cth).

**Commissioner for Social Housing** – the corporation established by section 9 of the *Housing Assistance Act 2007*.

**Community Facilities Policy** – is the Government’s policy associated with community use of facilities that are supported in some way by the Government.

**Council of Australian Governments** – The Council of Australian Governments (COAG) consists of the Governments of all States and Territories.

**Custodian** – a Directorate or Authority responsible for managing and maintaining a particular asset class, for the purpose of this policy real estate assets.

**Entity** - includes an unincorporated body and a person (including a person occupying a position) (see Legislation Act, dict, pt 1).

**Facilities Management** – involves the day to day management of buildings and services to ensure that everything is available and working properly for occupants to do their work. This includes ensuring that the building’s lifts, air-conditioning and other services are operating efficiently, reliably, safely and legally.

**Government** – ACT Government.

**Government Office Accommodation** - means those areas in either a government owned building or leased premises where office and administrative functions of budget-funded government Directorates, statutory authorities and commissions are performed by administrative, technical or professional staff.

This does not apply to stand alone, purpose designed clinical health facilities, schools, correctional facilities, non-government occupied facilities, residences, and the non-office components of other specialist facilities such as Police, Ambulance and Fire stations, tribunals and courthouses.

**Government Office Accommodation Strategic Plan** – is prepared by an administrative unit within the Economic Development Directorate. This plan is an internal document which is not for public release.

**Government Real Estate (GRE)** – All buildings and associated land as well as related infrastructure and equipment owned by the Government and used for the direct or indirect delivery of Government services. GRE includes office buildings, community facilities, schools, hospitals, health centres, work depots, libraries, correctional services facilities, warehouses and stores as well as Government owned land and buildings sub-leased or licensed to external parties on a community or commercial basis. It also includes Territory sublease of premises from the private sector (excluding residential leasing for employment related purposes). It does not include municipal infrastructure assets such as roads, urban open space, water treatment plants, water and sewerage pump stations and street furniture. It also does not include land and buildings under the

control of the Commissioner for Social Housing or land and buildings that have been transferred to the Economic Development Directorate (EDD) for disposal.

**Government Property Group** – A subcommittee of the Australian Procurement and Construction Council comprising representatives of the Commonwealth, State and Territory Government Property managers including ACT Property Group.

**Government Real Estate Register (GRE Register)** – means the document titled the Property Register which lists all ACT Government owned building assets excluding those under the control of the Commissioner for Social Housing.

**Green Star** – The Green Building Council Australia (GBCA) Green Star suite of environmental rating tools addresses commercial offices and other building types at all phases of development – design, construction and operations. This suite of tools is designed to recognise and reward environmental leadership in buildings.

**Leased Territory Land** – is Territory Land which is GRE and subject to a Crown lease granted to the Territory or an Authority.

**Licence** – means:

- 1) any Licence granted by the Environment and Sustainable Development Directorate pursuant to the *Planning and Development Act 2007*, (or any prior legislation) over Unleased Territory Land; or
- 2) any Licence granted by the Australian Capital Territory or an Authority over Leased Territory Land.

**NABERS** – The National Australian Built Environment Rating System (NABERS) replaces the Australian Building Greenhouse Rating (ABGR) program and is currently administered by the NSW Department of Environment and Climate Change (DECC). It is a performance based system that rates buildings from 0-5 stars according to normalised indicators.

**National Green Leasing Policy** – The National Green Leasing Policy (NGLP) is a Council of Australian Governments (COAG) initiative developed and implemented by the Government Property Group and the Commonwealth Government’s National Framework for Energy Efficiency.

**Potentially Surplus Real Estate** – is GRE which a Directorate identifies as likely to cease being required for the property’s service delivery purpose.

Service Delivery Purpose – means the purpose for which the Government has provided specific funding to a Directorate or Authority for the conduct of activities on a property.

**Sublease** – is a sublease or underlease over Leased Territory Land granted by the Australian Capital Territory or an Authority.

**Surplus Real Estate** – where a Directorate or Authority has ceased to utilise the property according to the property’s approved service delivery purpose.

**Sustainability** – is the “effective integration of economic, social and environmental considerations in decision-making processes achievable through and implementation of:

- the precautionary principle;

- the inter-generational equity principle;
- conservation of biological diversity and ecological integrity;
- improved valuation and pricing of environmental resources”.

**Territory Land** – is land in the Australian Capital Territory that is “Territory Land” as determined in accordance with section 28 of the *Australian Capital Territory (Planning and Land Management) Act 1998 (Cth)*.

**Un-leased Territory Land** – is Territory Land which is GRE and not subject to a Crown lease.

**Utilisation Rate** - Accommodation utilisation rate is the average useable office space per workpoint in ACT Government owned and leased office accommodation. Utilisation rate is determined by dividing the total useable office space in square metres by the total number of workpoints in that space, expressed as a square metre rate per workpoint.

## Principles

The GRE approach to property management aims to ensure sustainable outcomes and long term value for money decisions are made. The intended benefits are reduced ACT Government property operating costs; increased property asset sustainability and asset performance; improve the sustainability performance of Government building infrastructure and maintenance, and increased value to the community. This approach has the flexibility to include the introduction and coordination of new initiatives for management of the ACT Government-wide property portfolio.

## Policy

### 1. Establishment of Procedures

- 1.1 The ACT Government processes for management of GRE are set out in the ACT Government Real Estate Procedures.

#### *Compliance with ACT Government Real Estate Procedures*

- 1.2 All Directorates and Authorities are responsible for ensuring that GRE is developed and managed in accordance with statutory requirements as listed in the ACT GRE Procedures.

### 2. Custodianship Responsibilities

- 2.1 All Government Directorates and Authorities that are the Custodians of GRE have responsibility for strategic asset management and planning for property assets as Custodians.
- 2.2 The GRE Register identifies which Directorate or Authority is the Custodian of GRE. The GRE Register is maintained by Economic Development Directorate.

- 2.3 All Custodians are responsible for updating information in the GRE Register in a timely and accurate manner.

### **3. ACT Government Office Accommodation**

- 3.1 Government Office Accommodation Committee (GOAC) is responsible for the assessment of all proposed office accommodation projects in premises owned or leased by the ACT Government for the use of a Directorate or Authority.
- 3.2 Economic Development Directorate provides the secretariat for the GOAC and is responsible for strategic planning of all Government office accommodation in consultation with all Government Directorates and Authorities. Office accommodation includes office space, storage and parking.
- 3.3 Each Directorate will have a Memorandum of Understanding (MOU) with ACT Property Group detailing roles and responsibilities with respect to occupation of office accommodation. ACT Property Group will seek confirmation from Economic Development Directorate that each MOU complies with the Government Real Estate Policy.
- 3.4 The Government Office Accommodation Framework sets out the roles, responsibilities, management principles and standards to be applied in the use of office accommodation.
- 3.5 When Government Directorates have accommodation guidelines dealing with utilisation of specialist facilities, these guidelines can be included in the procedures associated with this Government Real Estate Policy e.g. ACT Health Accommodation Policy.
- 3.6 ACT Property Group is responsible for collating information and data on a Whole of Government basis for the ACT Government's contribution to the Government Property Group. Directorates are responsible for providing relevant data to the ACT Property Group.
- 3.7 Economic Development Directorate is responsible for preparing a 10 Year ACT Government Office Accommodation Strategic Plan in consultation with all Directorates. The plan is to be submitted to Cabinet for approval. The Government has an occupational density target for office accommodation of 15 m<sup>2</sup> per workpoint.
- 3.8 All requests for accommodation, including private subleasing (excluding residential leasing for employment related purposes) and the purchase or building of new premises are managed through Economic Development Directorate. All proposals must comply with the ACT Government's Environmental Leasing Policy.
- 3.9 Approval sought for any accommodation expansion and/or refurbishments will be in accordance with Items 4.4 and 7.4 of this policy.
- 3.10 Whole of Government needs take precedence over single Directorate preferences when significant benefits to Government are to be realised or when significant cost savings can be achieved. Accordingly, office

accommodation in existing government owned buildings must be used in preference to acquiring additional accommodation leased from the private sector.

- 3.11 Prior to Directorates and Authorities seeking funding from Government for accommodation, the bid must be assessed by Economic Development Directorate in accordance with the 10 Year Accommodation Strategic Plan (Item 3.7).
- 3.12 Funding for proposed office accommodation in accordance with the 10 Year Strategic Plan is to be sought through normal budget processes, except for unusual or emergency circumstances.
- 3.13 New and refurbished buildings must comply with the Disability (Access to Premises — Buildings) Standards 2010 (Access standards) made under the Commonwealth's Disability Discrimination Act 1992 (DDA). The ACT Government Solicitors Office provides advice on compliance issues.
- 3.14 All new accommodation will be provided in accordance with the standards contained within the ACT GRE Procedures, unless otherwise approved by ACT Property Group.
- 3.15 When there is an urgent need for accommodation not covered by the Strategic Accommodation Plan, the Directorate or Authority prepares a submission for consideration by the Government Office Accommodation Committee (GOAC). If required, the GOAC will prepare a Cabinet submission.

#### *Storage by Government Entities*

- 3.16 All Directorates and Authorities are to store their records in accordance with the requirements for Territory Records Office Standard No: 7.
- 3.17 All Directorates and Authorities should seek to minimise the amount of material stored in office premises and also to minimise the amount of material needed to be stored. Directorates and Authorities are responsible for determining how materials are to be stored, e.g. leasing of storage space or services.
- 3.18 Directorates and Authorities that wish to obtain storage premises, must do it through Economic Development Directorate.

#### *Parking*

- 3.19 Provision for parking will be determined in accordance with Government requirements, including sustainability principles. Provision of parking space will be consistent with the ACT Parking Strategy, which is part of the Government's Sustainable Transport Action Plan.

#### *Smoking Exclusion Zone*

- 3.20 For owned office buildings occupied by more than one Directorate, the Smoking Exclusion Zone Policy prohibits smoking within at least 15 metres of the building, including any entry/exit points or ventilation ducts, subject to that space being part of the custodian's administrative responsibility. The Policy

also applies to subleased office buildings where the landlord agrees to appropriate signage being installed in and around the foyer.

- 3.21 For other buildings, a smoking exclusion zone is to be determined in accordance with the Smoking Exclusion Zone Policy, including Occupational Health and Safety principles.

## **4. Fit Out**

- 4.1 ACT Property Group has responsibility for approving any office accommodation expansions and/or refurbishments in owned and leased premises. Prior to approval of fit-out plans, the proposing Directorate is to seek agreement from Government Office Accommodation Committee that the fit out proposal meets office accommodation standards.
- 4.2 ACT Property Group will ensure landlord approvals are in place and all approvals are obtained prior to fit out works commencing.
- 4.3 ACT Procurement Solutions will obtain approval from ACT Property Group for all office fit outs prior to commencing procurement processes.
- 4.4 The Minister responsible for ACT Property Group must take all fit-out proposals exceeding \$500,000 to Cabinet prior to any commitments being made when the expenditure has not already been approved.
- 4.5 When undertaking new fit out work, all Directorates and Authorities will achieve an office square metre per workpoint utilisation rate specified in the GRE Policy (item 3.7).
- 4.6 All fit out activities must conform to the ACT Public Sector's Workplace Health and Safety Policy WHS 06-11.
- 4.7 Directorates and Authorities may develop and submit fitout policies, procedures and guidelines for their specialty fit out requirements to Economic Development Directorate for inclusion in the GREP and its subsidiary documents.
- 4.8 The ACT Health Accommodation Policy establishes the fit out requirements for specialty health facilities.

## **5. Sustainability**

- 5.1 *People Place Prosperity: a policy for sustainability in the ACT* is the ACT Government's policy commitment to sustainability. It provides a comprehensive framework for a sustainable future.
- 5.2 *Weathering the Change* is the Government's climate change strategy for the ACT. This strategy identifies a number of initiatives concerning GRE including achieving carbon neutrality in all Government buildings.
- 5.3 Decisions around the procurement, construction, operation – including fit-out, maintenance, leasing and disposal of property have significant potential to deliver the Government's sustainability commitments. Custodians of GRE and properties leased from the private sector must ensure that any GRE

Procedures and Guidelines developed meet the objectives of the Government's sustainability policy and are in accordance with the ACT Government's carbon neutral framework.

- 5.4 All Directorates and Authorities are required to meet the reporting requirements set out in the GRE Procedures and Guidelines to measure progress on sustainability targets and performance as well as those set-out in the ACT Government carbon neutral framework.
- 5.5 All Custodians are to ensure their facilities management services take into account sustainability principles as outlined in the ACT Government carbon neutral framework.
- 5.6 Directorates and Authorities undertaking capital works projects and refurbishments must take into account sustainability principles as outlined in the ACT Government carbon neutral framework.
- 5.7 The ACT is a member of the Government Property Group (GPG) which has developed a National Framework for Sustainable Government Office Buildings (the Framework). All ACT Government Office Buildings being built, leased, refurbished or fitted out must meet the minimum targets in the Framework, as well as the targets and guidelines specified in the ACT Government carbon neutral framework.

## **6. Condition of Property**

- 6.1 All Directorates and Authorities that are Custodians of GRE are responsible for the provision and maintenance of the asset in accordance with *ACT Government Asset Management Guidelines*.
- 6.2 All Directorates that are Custodians of GRE are responsible for ensuring that all properties comply with the guidelines for management of asbestos in non-residential GRE and the *Dangerous Substances Regulation (2007)*.
- 6.3 All Directorates and Authorities that occupy property from the private sector are responsible for the provision and maintenance of fit out.
- 6.4 The occupying Directorate or Authority is responsible for ensuring that it is a safe, secure and healthy working environment for staff, visitors and other occupants in accordance with the *Occupational Health and Safety Act 1989*.
- 6.5 ACT Property Group will provide facilities management services on Government owned assets on an untied basis for Directorates and Authorities.

## **7. Tenancy Leases and Licences from Private Sector**

- 7.1 Individual Directorates and Authorities must not procure Subleases or Licences for Government accommodation.
- 7.2 Economic Development Directorate has the responsibility for negotiating and signing all commercial sub-leases and licences with the private sector for use for Government purposes.

- 7.3 In the event that a Directorate voluntarily vacates commercially leased accommodation prior to the conclusion of the lease, the Directorate will remain responsible for rent payable until such time as an alternate use for the space is identified or the lease expires.
- 7.4 The Minister responsible for Economic Development Directorate must present all leases from the private sector over \$500,000 (over life of the contract) to Cabinet prior to any commitments being made.
- 7.5 The Government supports the National Green Leasing Policy (NGLP). All new or renewed leases for office accommodation in excess of the minimum criteria specified in the NGLP must comply with the NGLP. The NGLP sets minimum energy and water efficiency standards for base buildings and tenancies.
- 7.6 Day to day arrangements for ensuring compliance with green lease schedules are to be included in the MOUs between ACT Property Group and Directorates.

## **8. Licences and Subleases to Non-Government Entities**

### *Unleased Territory Land*

- 8.1 Any Directorate or Authority that wishes to permit a non-government entity to occupy unleased Territory Land must do so by way of a Licence issued by Environment and Sustainable Development Directorate (ESDD).

### *Leased Territory Land*

- 8.2 Any Directorate or Authority that wishes to permit a non-Government entity to occupy GRE on Leased Territory Land under a Sublease or Licence must consult with the ACT Government Solicitor in the preparation of each sublease or licence.

### *Compliance with Community Facilities Policy*

- 8.3 All Subleases and Licences of GRE for community or other purposes are to be executed by the Custodians of GRE and will be in accordance with a Community Facilities Policy. In the case of Licences for GRE on Unleased Territory Land, execution is also required by the Environment and Sustainable Development Directorate (ESDD).

### *Insurance by Non-Government Entities*

- 8.4 All non-government entities proposing to use or occupy GRE must effect appropriate levels of public liability insurance for the activities they propose to engage in. Entities must comply with relevant legislation including, *Financial Management (Public Liability Insurance) Determination 2007* and *Financial Management (Public Liability Insurance – Non Profit Entities) Determination 2007* as described in the ACT GRE Procedures.

### *Public Liability Insurance*

- 8.5 All hirers of Government properties are required to have public liability insurance. It is not the Government's responsibility to provide such insurance. Government Directorates and Authorities responsible for managing a property made available to a hirer are also responsible for ensuring the hirer has appropriate insurance cover.

### *Responsibility for accommodation*

- 8.6 Any Directorate or Authority that permits a non-government entity to occupy GRE through either a license or sublease shall not be responsible for arranging alternative accommodation for that entity at the completion of the lease, unless explicitly stated in the license or sublease.

## **9. New Buildings/Structures**

- 9.1 Intended Custodians and intended building occupiers must be involved at the new building/structure project inception stage and be actively engaged in the project's design. Assessment tools which measure environmental performance, such as Green Star Rating system or NABERS, must be incorporated in accordance with the Government's carbon neutral framework.
- 9.2 Acceptance processes for new buildings and structures, are set out in the ACT GRE Procedures.
- 9.3 The GRE Procedures include Guidelines for *Naming and Addressing Public Buildings in the ACT*. Directorates are required to consult with ESDD on any proposed building names.

## **10. Transfer of Real Estate and Surplus Real Estate**

- 10.1 The procedures to be used when transferring real estate between Directorates are described in ACT Government Real Estate Transfer Procedures.
- 10.2 When a Directorate anticipates that a property may cease to be required for its existing service delivery purpose, it shall notify Economic Development Directorate that the property is considered potentially surplus. Notification should be given at least 12 months prior to the property becoming surplus. The occupying Directorate is responsible for all property repairs and maintenance until the property is reassigned to a different use.
- 10.3 Economic Development Directorate is responsible for evaluating and making recommendations with regard to ACT Government re-use, community use or disposal.
- 10.4 The transfer of the asset is contingent on one of the following: (i) the land and buildings meet all statutory requirements and are in reasonable working order; (ii) adequate funding is provided to enable the asset to be brought to reasonable working order and to meet all statutory requirements; or (iii) the value of the asset exceeds the cost of disposal (including cost of looking after the asset until it has been disposed).

- 10.5 When land is evaluated as being suitable for disposal, Economic Development Directorate (EDD) will undertake the disposal.

## **11. Properties of Special Significance**

A property may be identified as of special significance as a result of being: (i) entered to the ACT Heritage register, either provisionally registered or registered; (ii) nominated for entry to the ACT Heritage Register; (iii) having historic character; (iv) of historic value for other reasons related to the criteria of the *Heritage Act 2004*; and/or (v) exceptional interest to the community. Government Directorates which are the custodians of such properties are responsible for ensuring the Government's intentions concerning the management of such properties are documented. The procedures are described in "Guidelines and Procedures relating to the Management of Properties with Special Significance". The decision on options for management of the property rests with the Minister with responsibility for Heritage.

## **12. Security**

- 12.1 Unless otherwise agreed to by the Custodian and occupying Directorate of GRE, the Custodian will be responsible for the physical security of the GRE. Security of personnel, information or other assets within the GRE will be the responsibility of the occupying Directorate.
- 12.2 Under the *ACT Protective Security Guidelines 2007*, every Directorate and Authority is required to have a Security Plan, which incorporates physical security of government land and buildings.
- 12.3 Economic Development Directorate should be informed of any specific security needs that should be addressed prior to leasing or moving into office accommodation to ensure these needs can be addressed and that such requirements are compatible with the operations of other tenants (sections 1.2.15 and 5.3.21 of *ACT Protective Security Guidelines 2007*).
- 12.4 Where a closed circuit television installation is being considered as part of building security arrangements, Directorates are required to have regard to the *ACT Government Code of Practice for Closed Circuit Television Systems*. Information on the Code of Practice is available from the Security and Emergency Management Branch (SEMB) in the Justice and Community Safety Directorate.

## **13. Emergency Management**

- 13.1 Under the *Emergencies Act 2004 (Part 7)*, the ACT Emergency Management Committee is required to prepare an Emergency Management Plan for the ACT. This will include managing in an emergency and continuity planning to ensure the continuation of operations from the building or provide alternative accommodation.
- 13.2 Where ACT Property Group is the custodian of a building or the sub lessee of staff accommodation that can no longer be used in whole or in part due to an emergency circumstance such as flood or fire, ACT Property Group will locate

and make available alternative accommodation for either the period of unavailability or for a longer period if appropriate.

## **14. Other**

### *Flags and Banners*

- 14.1 Organisations can apply to fly flags and banners from flagpoles located around Canberra. The application process is documented in the Flags and Banners Guidelines. Protocol associated with flying the ACT Flag is documented in the ACT Flag Guidelines.

## **Authority**

Cabinet

## **Policy Owner**

Executive Director, Ministerial, Cabinet and Policy, Economic Development Directorate

## **Further Assistance**

Whole of Government Asset Management Policy/Framework – Executive Director Finance and Budget Division, Treasury Directorate

ACT Government Real Estate Policy – Senior Manager, Property Policy, Economic Development Directorate

ACT Government Community Facilities Policy – Chief Minister and Cabinet Directorate

Office Accommodation – Senior Manager, Government Accommodation Strategy, Economic Development Directorate

Community and other sub-leasing and licensing – Senior Manager, Tenancies, ACT Property Group, Territory and Municipal Services Directorate

## **Review Date**

August 2012