

OFFICIAL

Premier and Cabinet Circular

PC018 – GOVERNMENT OFFICE ACCOMMODATION FRAMEWORK

Effective from November 2023

OFFICIAL

OFFICIAL**Contents**

| | |
|--|---|
| Purpose statement..... | 3 |
| Context | 3 |
| Authority and accountability | 3 |
| Application | 5 |
| Memorandum of Administrative Arrangements (MoAA) | 6 |
| Leasing Government Owned Accommodation | 6 |
| Exemptions | 6 |
| Monitoring and compliance | 7 |
| Distribution and publication | 8 |
| Document Control | 8 |
| For more information..... | 8 |

OFFICIAL

Purpose statement

This circular sets the principles and high-level requirements for managing office accommodation for all SA Government agencies. This approach ensures a consistent and holistic approach is applied to strategic planning, leasing and fit out of office accommodation leased or owned by the South Australian Government.

It also ensures all office accommodation decisions:

- take whole of government considerations into account
- consider all opportunities to gain efficiencies, savings and flexibility
- support service delivery and specific agency requirements
- consider broad government goals such as supporting sustainability.

The circular is supported by the [SA Government Office Accommodation Guidelines](#) which detail specific strategies, processes, and requirements to operationalise the policy and principles.

Context

The cost of office accommodation is a significant annual financial commitment for agencies and government. Having consistent standards and centralised decision-making helps achieve efficiencies, savings and consistent amenity for staff, while recognising that some agencies have specific requirements to support service delivery.

Having appropriate office accommodation (including site selection, design and fit out) supports responsibilities and strategies such as sustainability and environmental initiatives, equitable access to services, work health and safety requirements, and technology integration.

This circular is in line with other policies and requirements, including Treasurer's Instruction 8.

Authority and accountability

Cabinet has directed that government should only be represented in office accommodation matters by the Department for Infrastructure and Transport (DIT). This avoids competition between agencies for space which would compromise government's ability to negotiate competitively in the marketplace.

All office accommodation leases are held in the name of the Minister for Infrastructure and Transport and are prepared by or agreed to by the Crown Solicitor's Office.

Approval of lease proposals are in accordance with the delegations set out in Treasurer's Instruction 8 – Financial Authorisations.

The **Minister for Infrastructure and Transport** may direct agencies in circumstances where an across-government benefit has been identified.

OFFICIAL

At a high level, DIT is responsible for:

- Developing and implementing whole of government strategies, standards and targets for effective use of accommodation, including maintaining key documents and processes.
- Maintaining and implementing a strategic plan for whole of government accommodation.
- Implementing leasing arrangements that align with standards and that support individual agency business needs.
- Leading the process to identify new accommodation including assessing options.
- Negotiating with building owners on all matters relating to the lease.
- Preparing cabinet submissions for lease and related fit out approvals.
- Coordinating all fit outs for compliance with government guidelines and procurement processes.
- Meeting commitments and requirements agreed to in each lease.

The **Government Office Accommodation Committee (GOAC)** reports to the Minister. It approves changes to policies and guidelines relating to across-government office accommodation, endorses strategic accommodation plans and advises on opportunities to rationalise accommodation or reduce costs. It also oversees all leasing activities with a value of more than \$1.5 million (GST inclusive) or any activities.

GOAC has the authority to direct an agency to take a preferred lease solution to ensure alignment with the CBD accommodation strategy.

The **Chief Executive DIT**, in consultation with the GOAC and/or the Minister when appropriate, is responsible for maintaining and approving supporting process documents that operationalise this policy and are in line with the Cabinet-endorsed principles.

At a high level, Chief Executives are responsible for ensuring:

- Their agency complies with private landlord and DIT building and tenancy policies and other related legislation and standards.
- **No direct contact is made by their agency** with leasing agents or landlords on leasing matters.
- Their agencies work with DIT to define their accommodation needs, develop their long-term strategic accommodation plans and contribute to accommodation option assessments.
- The appropriate agency delegate enters a Memorandum of Administrative Arrangement (MoAA) with DIT to authorise new leases and lease renewals and provide financial authorisation.
- Finance and budget requirements are followed including recognising the full cost of occupying leased and government owned office accommodation in financial reports.
- Meeting commitments and requirements agreed to in each lease.

More detail about roles and responsibilities for specific elements are outlined in the SA Government Office Accommodation Guidelines and supporting process documents.

OFFICIAL

OFFICIAL

Application

Principles for the centralised accommodation model

- Across-government needs should take precedence over single-agency needs when significant benefits to government are to be realised or significant costs are involved to achieve the best financial outcome for government.
- Priority will be given to existing government owned or leased accommodation, including space that is owned or leased by public corporations.
- Government owned properties should not be vacated by the tenant unless suitable backfill arrangements (including rental commitments) are in place for the accommodation, or the move is in line with Government strategy. This equally applies to long term finance lease properties which are treated similarly to owned properties.
- Both DIT and the individual Agencies need to work in partnership to balance the Agency's operational needs with the most effective whole of Government outcomes.
- Financial impacts, costs, incentives and savings from leasing proposals are applied consistently. Costs and savings are to be met and retained by agencies for the consistent treatment of financial impacts of office accommodation leasing proposals.
- The Minister or Cabinet, depending on the value of the proposal, approves new lease proposals on advice from the Agency and GOAC. Agencies will be bound by those approvals.

Principles for accommodation fit out

- Standards – fit out will be completed, and properties maintained, in line with the SA Government Office Accommodation Guidelines. To support this, fit out projects will be managed by DIT.
- Costs – to be centrally managed and minimised where possible whilst allowing for the operational and business needs of agencies.
- Scope Changes – accommodation and fit out provision is to be based upon Cabinet (or Delegate) approval, with no increase in project scope without further approval from the originating approval delegate.
- Flexibility – accommodation and fit out provisions to enable sufficient flexibility to meet agencies business requirements, in the context of effectively managing costs and vacant space in existing government owned or committed lease accommodation and maintaining consistency across government fit out designs. Special Agency requirements will be reviewed and approved by DIT in accordance with the SA Government Office Accommodation Guidelines and referred to GOAC if necessary.

OFFICIAL

OFFICIAL**SA Government Accommodation Guidelines**

The SA Government Accommodation Guidelines are maintained by DIT and outline how the policy and principles within this Circular will be operationalised. They outline:

- Office accommodation standards.
- Fit out design and cost standards.
- Fit out delivery time. Agencies must ensure ample time is allowed for planning new office accommodation and lease negotiations.
- Environmental targets and other key priorities to be considered.
- Responsibilities and processes.

Memorandum of Administrative Arrangements (MoAA)

Agencies must enter a MoAA with DIT (representing the Minister for Infrastructure and Transport) for all leasing arrangements.

The MoAA:

- Reflects the essential terms and conditions of the occupation, including any requirements associated with the Minister's or Cabinet's approval.
- Outlines the agency's roles and responsibilities as the primary beneficiary of the lease and the user of the facility.
- Confirms that the agency has the budget and expenditure approval to cover rental and other accommodation expenditures and that the agency wishes to have a formal tenancy relationship with the Minister for Infrastructure and Transport.

The delegated officer of the Agency (usually the Chief Executive) must sign the MOAA prior to occupation or as soon as practicable thereafter.

Leasing Government Owned Accommodation

Lease arrangements between DIT and agencies for government owned buildings are similar in approach. Tenancy agreements between DIT and agencies are documented in a MoAA as described above. DIT acts as the building owner and manager and the agency is the user or tenant.

Exemptions

The policy applies to office accommodation used by all public authorities subject to the *Public Finance and Audit Act 1987* (agencies) except the Universities and any other public authority exempted by the Treasurer under Treasurer's Instruction 1 – Interpretation and Application.

It does not apply to operational accommodation such as hospitals, schools and police stations managed by agencies, however space usage and cost standards are applicable to the office areas within operational accommodation.

OFFICIAL

OFFICIAL

Monitoring and compliance

Government Office Accommodation Committee (GOAC)

To support compliance with government accommodation policies, strategies and procedures, GOAC:

- Endorses and provides comment on strategic accommodation plans prepared by DIT and advises DIT on potential rationalisation or practical cost saving opportunities across government before DIT seeks leasing offers from the Market.
- Considers proposals before DIT seeks any leasing offers from the Market where the lease cost will be greater than \$1.5 million (GST inclusive) or the proposal will affect the CBD Accommodation Strategy.
- Considers office accommodation lease proposals as part of the Cabinet or Ministerial process for projects and new leases where the total cost of a new lease exceeds \$1.5 million (GST inclusive) or where the proposal will affect the CBD Accommodation Strategy.
- Endorses and provides comment on all proposals of \$15 million and over (GST inclusive) that are submitted to Cabinet for approval.

Department for Infrastructure and Transport (DIT)

DIT reviews all office accommodation proposals for compliance with the Government's mandated standards and policies. Proposals with a lease payment value greater than \$1.5 million (inclusive of GST) will be referred by DIT to the Minister and/or Cabinet for approval in accordance with Treasurer's Instruction 8.

In maintaining the whole of government accommodation strategy DIT will continually monitor accommodation requirements.

SA Government Office Accommodation Guidelines have been developed to deliver office accommodation within this framework. The supporting processes contain various checks and balances to ensure accommodation is managed in line with core principles.

DIT will initially review agency requests for accommodation to confirm they align with the Guidelines and concept plans. This information will be retained and assessed further against annual Agency audits.

OFFICIAL

OFFICIAL

Distribution and publication

This circular is published on the DPC website and DIT will write to all Chief Executives should the circular be updated.

Document Control

Review number: 3
Review date: November 2023

Next review date: April 2026

For more information

Property Directorate,
Department for Infrastructure and Transport
T: 7133 2416

E: DIT.PropertyDirectorateAdmin@sa.gov.au
W: www.dit.sa.gov.au

OFFICIAL