



Australian Government
Department of Finance



2018 Australian Government Office Occupancy Report

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Commercial and Government Services

978-1-925537-32-1 (Online)



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1. Executive Summary

The 2018 Australian Government Occupancy Report (Occupancy Report) shows that the Australian Government has continued to reduce its leased office footprint.

Entities are leasing fewer tenancies, are occupying less total office space and there are fewer vacant desks. This has led to continued improvements in fit-out density and occupational density rates, and in the number of tenancies that are meeting the Government's target of 14 m² of usable office area per occupied work-point.

The number of vacant work-points is expected to fall further as entities continue to fill vacant space or move into more efficient tenancies. Both fit-out density and occupational density are expected to continue to improve as leases for older tenancies expire and are replaced by tenancies with more efficient work space.

1.1 Overview

The Occupancy Report includes office accommodation that is leased or owned by Non-Corporate Commonwealth Entities (entities) and that has at least 500 square metres (m²) of Usable Office Area as at 30 June 2018.

Data is collected through the Australian Government Property Register (AGPR) which entities are required to update annually in August.

The point-in-time nature of collecting lease information adds a degree of volatility to annual results. However, the information provides an understanding of the medium and long-term trends, especially given leasing decision outcomes continue for many years. Likewise, the length of leases can mean outcomes may take some time to be realised.

Data collected through the AGPR provides an evidence base to assist entities to identify and progressively implement better property management practices, while also informing decisions in relation to whole-of-government leasing and property policy.

1.2 Policy Context

The Department of Finance implements the National Property Efficiency Program to capitalise on the Commonwealth's position as a major purchaser of leases and facilities management services. The Program includes:

- a whole-of-government leasing strategy that facilitates better use of leased office space and maximises value-for-money from lease transactions;
- mandatory coordinated property services that leverage the Commonwealth's buying power to deliver more efficient leasing and facilities management services; and
- an online property marketplace, hosted in the AGPR, that enables entities to more easily fill vacant space within existing leases.

In 2010 an occupational density target of 16 m² was introduced as a measure of office space per occupied work-point. In 2013 this target was reduced to 14 m² per occupied work-point.

The occupational density target is one way for entities to determine the amount of space required to accommodate staff. Entities consider the occupational density target when negotiating new leases, considering a major fit-out refurbishment of existing office space, or to determine if surplus office space or work-points could be sub-leased.

1.3 Key Terminology

A complete glossary of terms and concepts is provided at Appendix B of the Report. Terminology used frequently in this Report includes:

Net Lettable Area which represents the total office space of tenancy; this is measured in square metres (m²) and is the area between internal walls of a building that is being leased.

Usable Office Area is the Net Lettable Area of a tenancy, minus any area that has been sub-leased to another party, and minus any area that is deemed unsuitable for office work. The definition of what makes an area unsuitable for office work is explained at Appendix B.

Work-point Vacancy Rate is the number of vacant work-points expressed as a percentage of total work-points.

Fit-out Density is the square metres of usable office space divided by the total number of work-points (both vacant and occupied).

Occupational Density is the square metres of usable office space divided by the number of work-points that are occupied.

The Government has set an occupational density target of 14 m² of usable office area per occupied work-point.

1.4 Key Findings

Table 1a: Size of Commonwealth footprint

| Measure | 2018 | 2017 | 2016 |
|--------------------------------------|-----------|-----------|-----------|
| Tenancies (n) | 541 | 596 | 621 |
| Net Lettable Area (m ²) | 2,850,834 | 2,863,097 | 2,893,755 |
| Usable Office Area (m ²) | 2,177,308 | 2,279,729 | 2,343,487 |

The Commonwealth has 55 fewer tenancies in 2018 compared to 2017, and 80 fewer tenancies than in 2016.

There has been a reduction in net lettable area – falling by 12,263 m² since 2017 and by 42,921 m² since 2016.

This is due to small footprint leases being replaced by fewer but larger footprint leases.

Table 1b: Work-points and staff ^(a)

| Measure | 2018 | 2017 | 2016 |
|-----------------------------|----------------|---------|---------|
| Work-points (n) | 158,357 | 158,806 | 156,071 |
| Staff (n) | 136,008 | 133,117 | 134,940 |
| Vacant Work-points (n) | 22,349 | 25,689 | 21,131 |
| Work-point Vacancy Rate (%) | 14.1% | 16.2% | 13.5% |

(a) Staff includes contractors and is taken on a headcount basis for leases that meet the criteria for inclusion (tenancies with over 500 m² of usable office area) in the Occupancy Report. For these reasons, the number of staff will not align with the Australian Public Service Commission's *State of the Service* report, which excludes contractors and has no such criteria for inclusion; nor will it align with staffing estimates contained in *Budget Paper No.4*, which do not include contractors and are reported on an Average Staffing Level basis.

Entities had 449 fewer work-points and 2,891 more staff allocated to leases compared to 2017, which has caused a sizable reduction in vacant work-points (3,340 fewer).

Improvement in the work-point vacancy rate is largely a correction from last year's results. When comparing 2018 with 2016, entities had 2,286 more work-points and 1,068 more staff allocated to leases.

Table 1c: Average density rates ^(a)

| Measure | 2018 | 2017 | 2016 |
|--|--------------|-------|-------|
| Average Fit-out Density (m ²) | 13.7 | 14.4 | 15.0 |
| Average Occupational Density (m ²) | 16.0 | 17.1 | 17.4 |
| Meeting the Occupational Density Target (%) | 31.6% | 25.0% | 22.1% |

(a) This edition of the Occupancy Report uses the average, rather than the previously-used median result to measure fit-out and occupational density. An explanation for this change is provided at Appendix B.

The average fit-out density for entities continued a downward trajectory, improving from 15 m² of usable office space per work-point in 2016, to 14.4 m² in 2017, and 13.7m² in 2018.

Moving to a lease with a denser fit-out, or adding more work-points to an existing tenancy, enables entities to accommodate more staff in their office space.

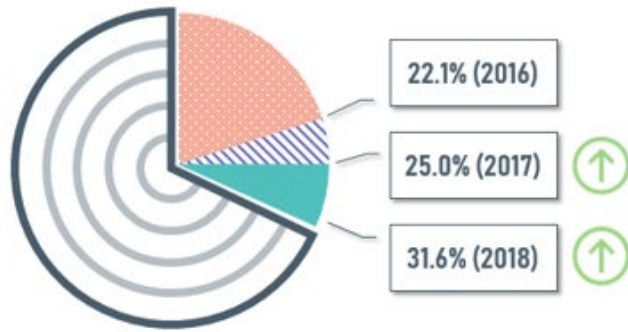
Likewise, the average occupational density has improved from 17.4 m² of usable office space per occupied work-point in 2016, to 17.1 m² in 2017, and 16.0 m² in 2018.

In 2018, this change is due to a greater number of staff (2,891 more than 2017) filling less space (102,421 m² less usable office area compared to 2017).

These improvements have led to a higher proportion of Commonwealth tenancies meeting the Government's occupational density target of 14 m² usable office space per occupied work-point. 31.6 per cent of tenancies met the target in 2018, an improvement from 22.1 per cent in 2016 and 25 per cent in 2017.

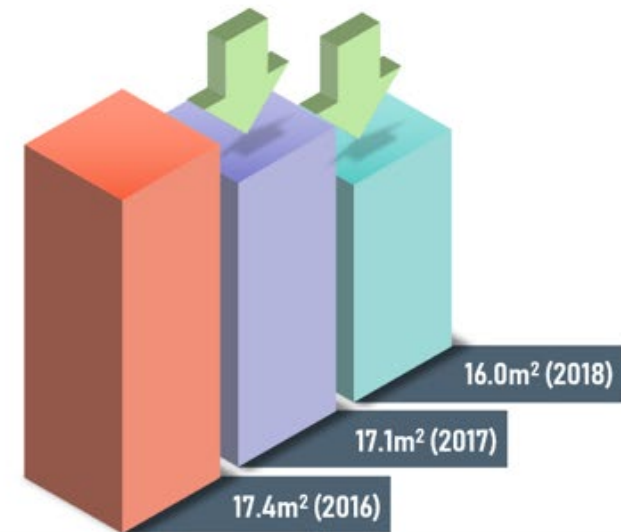
In total, 171 of the 541 tenancies currently meet the occupational density target. A further 93 tenancies have an occupational density of between 14 m² and 16 m². This suggests that both fit-out density and occupational density are expected to continue to improve as these leases expire and are replaced by tenancies with more efficient work space.

PERCENTAGE OF COMMONWEALTH ENTITIES MEETING OCCUPATIONAL DENSITY TARGET

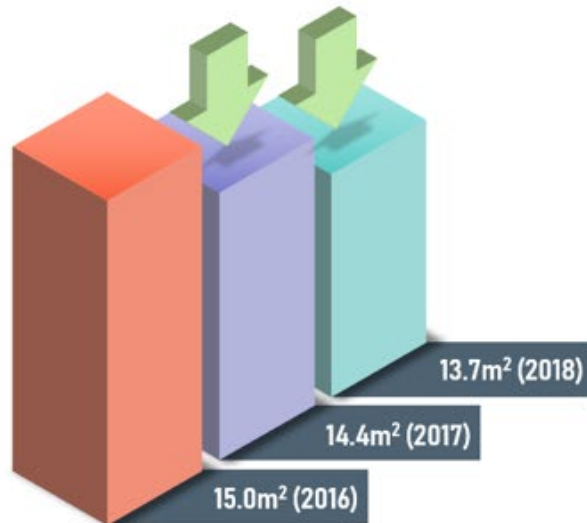


- Occupational density target = 14m² (usable office area)
- Average occupational density (2018) = 16m²

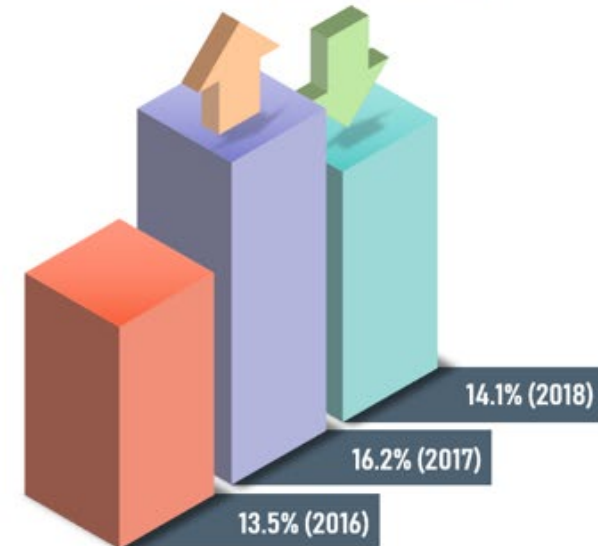
AVERAGE OCCUPATIONAL DENSITY (m² of usable office area per occupied work point)



AVERAGE FIT-OUT DENSITY (m² of usable office area per work-point)



WORK-POINT VACANCY RATE (% of total work-points that are vacant)



2. Largest Entities

Table 2: Largest Ten Entities by Net Lettable Area

| Entity | Tenancies (n) | Net Lettable Area (m ²) | Usable Office Area (m ²) | Average Occupational Density (m ²) |
|--|------------------|--|--|--|
| Department of Human Services | 130 | 461,604 | 364,678 | 12.9 |
| Australian Taxation Office | 22 | 358,632 | 305,610 | 15.4 |
| Department of Defence | 44 | 290,757 | 261,433 | 17.2 |
| Department of Home Affairs | 45 | 247,570 | 201,752 | 16.4 |
| Federal Court of Australia | 11 | 166,458 | 22,635 | 24.6 |
| Australian Federal Police | 11 | 116,627 | 71,904 | 16.9 |
| Department of Health | 15 | 105,746 | 92,666 | 18.6 |
| Department of Industry, Innovation and Science | 15 | 75,855 | 43,613 | 17.5 |
| Department of Foreign Affairs and Trade | 11 | 73,039 | 59,913 | 15.5 |
| Department of Agriculture and Water Resources | 13 | 64,597 | 56,602 | 14.5 |
| Subtotal of Top 10 Entities | 317 | 1,960,884 | 1,480,807 | 15.4 |
| Total | 541 | 2,850,834 | 2,177,308 | 16.0 |
| Top 10 Entities proportion of total | 59% | 69% | 68% | — |

The ten entities with the most Net Lettable Area account for nearly 70 per cent of the Commonwealth's office space.

3. Geography

3.1 Remoteness Classification

Table 3: Summary of Tenancies by Remoteness Classification ^(a)

| | Major Cities | Inner Regional | Outer Regional | Remote | Total |
|--|--------------|----------------|----------------|--------|-----------|
| Tenancies (n) | 453 | 45 | 34 | 9 | 541 |
| Net Lettable Area (m ²) | 2,665,835 | 118,577 | 58,157 | 8,265 | 2,850,834 |
| Usable Office Area (m ²) | 2,037,906 | 90,898 | 41,923 | 6,581 | 2,177,308 |
| Work-points (n) | 147,384 | 7,628 | 3,053 | 292 | 158,357 |
| Staff (n) | 126,354 | 6,918 | 2,546 | 190 | 136,008 |
| Vacant Work-points (n) | 21,030 | 710 | 507 | 102 | 22,349 |
| Work-point Vacancy Rate (%) | 14.3% | 9.3% | 16.6% | 34.9% | 14.1% |
| Average Fit-out Density (m ²) | 13.8 | 11.9 | 13.7 | 22.5 | 13.7 |
| Average Occupational Density (m ²) | 16.1 | 13.1 | 16.5 | 34.6 | 16.0 |
| Meeting the Occupational Density Target (%) | 30.0% | 53.3% | 29.4% | 11.1% | 31.6% |

(a) The Occupancy Report uses the Australian Bureau of Statistics' classification of remoteness, which considers Hobart to be 'inner regional' and Darwin as 'outer regional'.

84 per cent of tenancies (accounting for 94 per cent of Net Lettable Area) are located in major cities.

Within each remoteness classification (major cities, inner regional, outer regional and remote), the work-point vacancy, occupational density and fit-out density rates have improved since 2017.

Results for tenancies in remote locations are not comparable to those in major cities and regional areas. This is expected, as most remote locations have fewer staff and limited leasing options.

Inner regional tenancies compare well to those in major cities. On average, inner regional tenancies have:

- fewer vacant work-points (9.3 per cent work-point vacancy rate compared to 14.3 per cent in major cities);
- a denser fit-out (11.9 m² per work-point compared to 13.8 m²);
- more staff per square metre (13.1 m² per occupied work-point compared to 16.1 m²); and
- are more likely to meet the Government's occupational density target (53.3 per cent compared to 30 per cent).

The results for tenancies that are located in outer regional areas are comparable with those in major cities.

3.2 Entities with Regional or Remote Tenancies

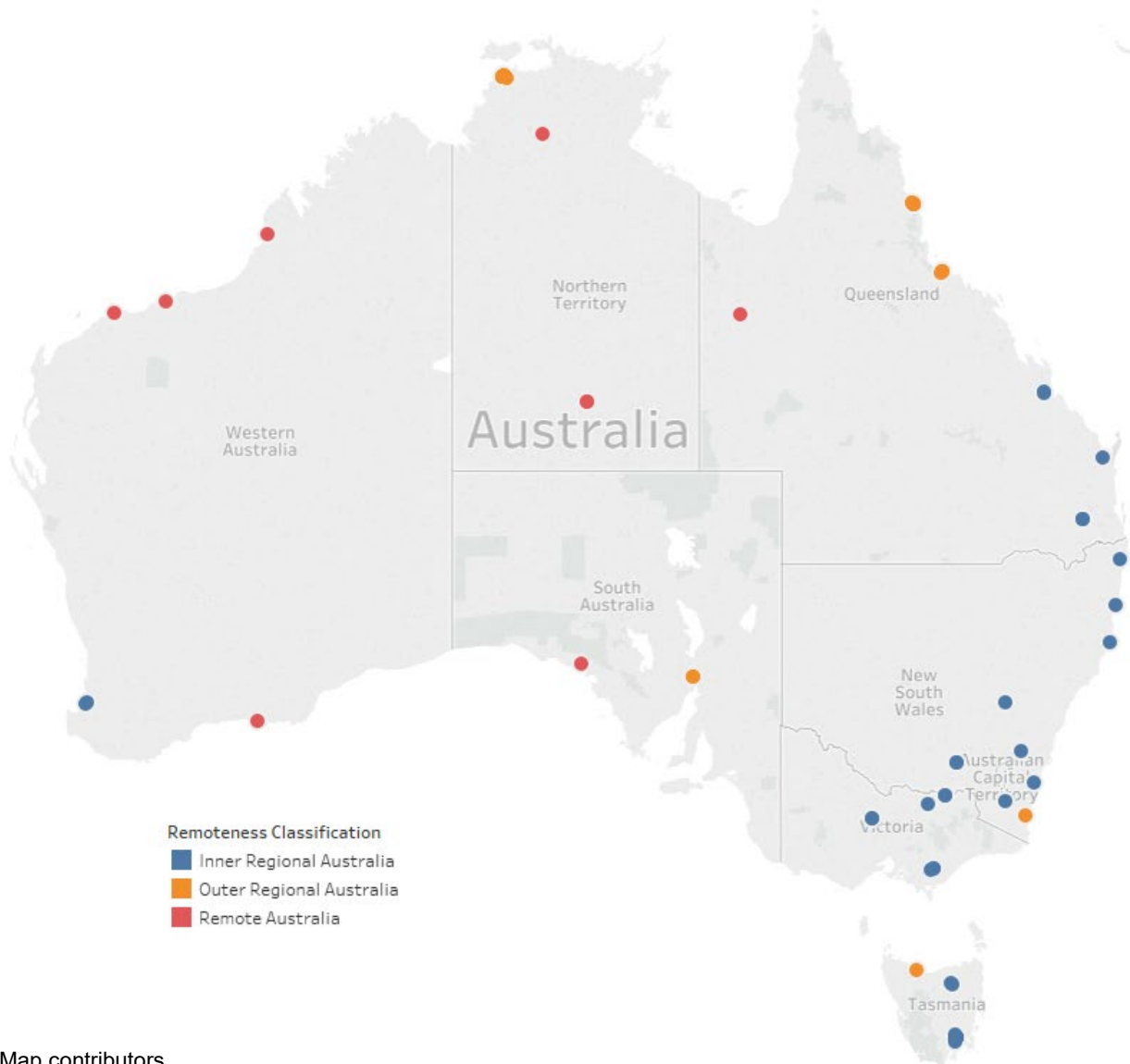
Table 4a: Entities with Regional Tenancies

| Entity | Regional Tenancies | | | |
|--|--------------------|-------------------------------------|--------------------------------------|--|
| | Tenancies (n) | Net Lettable Area (m ²) | Usable Office Area (m ²) | Average Occupational Density (m ²) |
| Department of Human Services | 39 | 85,911 | 63,470 | 11.2 |
| Australian Taxation Office | 4 | 25,780 | 20,399 | 12.6 |
| Department of Home Affairs | 7 | 12,462 | 10,103 | 36.2 |
| Australian Securities and Investments Commission | 2 | 9,225 | 7,471 | 26.2 |
| Department of the Environment and Energy | 2 | 7,779 | 6,865 | 17.5 |
| Federal Court of Australia | 1 | 6,817 | 755 | 37.7 |
| Department of the Prime Minister and Cabinet | 5 | 6,299 | 4,619 | 20.8 |
| Department of Agriculture and Water Resources | 2 | 3,785 | 2,141 | 21.4 |
| Department of Social Services | 2 | 3,425 | 1,249 | 30.5 |
| Great Barrier Reef Marine Park Authority | 2 | 3,189 | 2,965 | 17.3 |
| Department of Defence | 3 | 3,091 | 3,075 | 17.8 |
| Department of Veterans' Affairs | 2 | 2,535 | 2,236 | 23.3 |
| Bureau of Meteorology | 2 | 2,330 | 2,066 | 20.9 |
| Department of Health | 2 | 2,171 | 1,738 | 18.7 |
| Australian Bureau of Statistics | 1 | 1,663 | 1,663 | 16.0 |
| Department of Jobs and Small Business | 1 | 914 | 516 | 36.9 |
| Fair Work Ombudsman and Registered Organisations Commission Entity | 1 | 780 | 768 | 29.5 |
| Australian Electoral Commission | 1 | 732 | 700 | 22.6 |
| Australian Fisheries Management Authority | 1 | 650 | 650 | 21.7 |

Table 4b: Entities with Remote Tenancies

| Entity | Remote Tenancies | | | |
|--|------------------|-------------------------------------|--------------------------------------|--|
| | Tenancies (n) | Net Lettable Area (m ²) | Usable Office Area (m ²) | Average Occupational Density (m ²) |
| Department of the Prime Minister and Cabinet | 5 | 3,791 | 3,099 | 26.7 |
| Department of Home Affairs | 3 | 3,244 | 2,252 | 93.8 |
| Department of Human Services | 1 | 1,230 | 1,230 | 24.6 |

Location of Regional and Remote Tenancies



3.3 States and Territories

Table 5: State and Territories

| | ACT | NSW | VIC | QLD | SA | WA | TAS | NT | Australia |
|--|-----------|---------|---------|---------|---------|---------|--------|--------|-----------|
| Tenancies (n) | 156 | 110 | 85 | 76 | 35 | 38 | 22 | 19 | 541 |
| Net Lettable Area (m ²) | 1,324,501 | 498,834 | 424,332 | 265,272 | 131,927 | 119,177 | 59,622 | 27,169 | 2,850,834 |
| Usable Office Area (m ²) | 1,078,938 | 355,928 | 310,200 | 194,305 | 92,729 | 79,644 | 45,065 | 20,499 | 2,177,308 |
| Work-points (n) | 77,800 | 26,114 | 22,873 | 14,783 | 6,570 | 5,540 | 3,517 | 1,160 | 158,357 |
| Staff (n) | 66,267 | 21,577 | 19,812 | 13,275 | 5,976 | 4,970 | 3,271 | 860 | 136,008 |
| Vacant Work-points (n) | 11,533 | 4,537 | 3,061 | 1,508 | 594 | 570 | 246 | 300 | 22,349 |
| Work-point Vacancy Rate (%) | 14.8% | 17.4% | 13.4% | 10.2% | 9.0% | 10.3% | 7.0% | 25.9% | 14.1% |
| Average Fit-out Density (m ²) | 13.9 | 13.6 | 13.6 | 13.1 | 14.1 | 14.4 | 12.8 | 17.7 | 13.7 |
| Average Occupational Density (m ²) | 16.3 | 16.5 | 15.7 | 14.6 | 15.5 | 16.0 | 13.8 | 23.8 | 16.0 |
| Meeting the Occupational Density Target (%) | 23.1% | 32.7% | 34.1% | 39.5% | 37.1% | 36.8% | 40.9% | 21.1% | 31.6% |

29 per cent of Commonwealth tenancies are located in the ACT, followed by New South Wales (20 per cent), Victoria (16 per cent) and Queensland (14 per cent). On average, ACT tenancies have more than twice the Net Lettable Area, and nearly two-and-a-half times the staff and work-points compared to tenancies in other states and territories.

The ACT also has an above average number of tenancies with longer leases (that are due to expire between 10-20 years) with 21 tenancies in this category, compared to 19 tenancies in this category across the rest of Australia. 42% of leases in the ACT are due to expire between 5-20 years; across the rest of Australia an average of 28% of leases fall into this category. This year's data shows that tenancies with longer leases are less likely to meet the occupational density target (refer to section 4.1 for further detail).

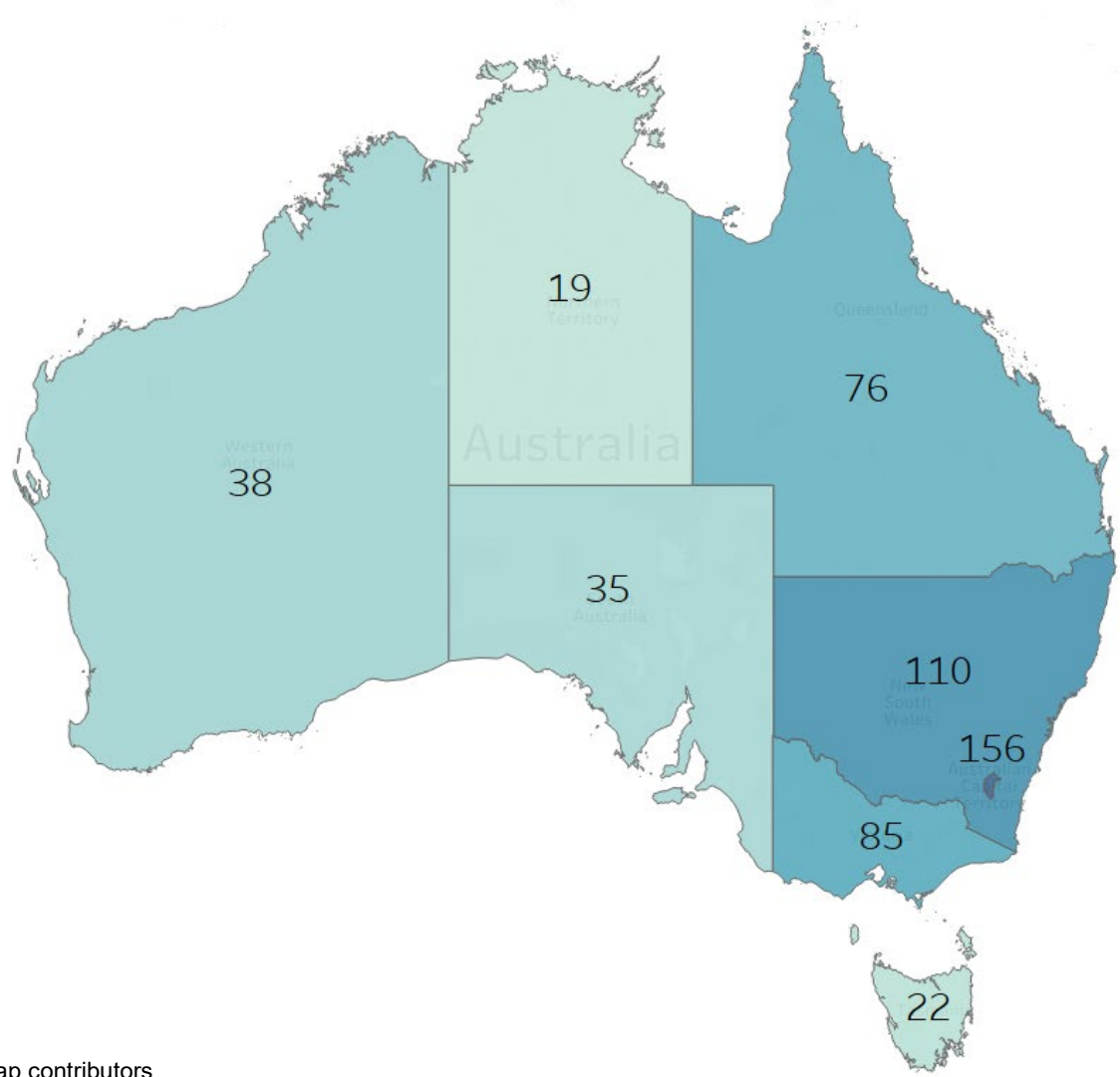
23.1 per cent of tenancies in the ACT meet the Government's occupational density target, the lowest percentage of all jurisdictions except the Northern Territory. There is a significant gap between both the ACT and the Northern Territory (21.1 per cent), and the remaining states, which have between 32.7 per cent and 40.9 per cent of tenancies meeting the occupational density target.

Despite this, the average occupational density of the ACT is 0.2 m² lower than New South Wales, and only 0.6 m² higher than Victoria.

This is because 33 tenancies in the ACT (21 per cent of total tenancies in the ACT) have an occupational density between 14 m² and 16 m². This is likely to reduce as longer leases expire and are replaced with more efficient tenancies.

The average occupational density rate for Tasmania is 13.8 m² of usable office area per occupied work-point, with over 40 per cent of tenancies meeting the Government's target. Queensland is the second best performing state, with an average occupational density of 14.6 m² of usable office-space per occupied work-point and 39.5 per cent of tenancies meeting the Government's target.

Count of Tenancies by State and Territory



©OpenStreetMap contributors

4. Lease Expiry, Office Type and Tenancy Size

4.1 Lease Expiry

Table 6: Lease Expiry

| | Holdover | 0-2 Years | 2-5 Years | 5-10 Years | 10-20 Years | 20+ Years |
|--|----------|-----------|-----------|------------|-------------|-----------|
| Number of Tenancies (n) | 62 | 136 | 168 | 134 | 40 | 1 |
| Net Lettable Area (m ²) | 247,721 | 409,436 | 784,454 | 833,507 | 561,487 | 14,228 |
| Usable Office Area (m ²) | 177,558 | 340,007 | 643,304 | 695,538 | 318,916 | 1,986 |
| Work-points (n) | 12,736 | 25,483 | 46,703 | 50,962 | 22,310 | 163 |
| Staff (n) | 10,538 | 21,725 | 40,134 | 44,275 | 19,211 | 125 |
| Vacant Work-points (n) | 2,198 | 3,758 | 6,569 | 6,687 | 3,099 | 38 |
| Work-point Vacancy Rate (%) | 17.3% | 14.7% | 14.1% | 13.1% | 13.9% | 23.3% |
| Average Fit-out Density (m ²) | 13.9 | 13.3 | 13.8 | 13.6 | 14.3 | 12.2 |
| Average Occupational Density (m ²) | 16.8 | 15.7 | 16.0 | 15.7 | 16.6 | 15.9 |
| Meeting the Occupational Density Target (%) | 29.0% | 38.2% | 35.1% | 24.6% | 22.5% | 0.0% |

11 per cent of Commonwealth tenancies (representing 9 per cent of net lettable area) are continuing on a month-by-month basis (holdover). These tenancies have the highest average occupational density and work-point vacancy rate.

A further 25 per cent of tenancies (representing 14 per cent of net lettable area) have leases expiring within the next two years, while 31 per cent of leases expire between 2-5 years, and another 25 per cent within 5-10 years. These tenancies have similar average fit-out density and occupational density rates.

This year's data indicates that, despite having similar average fit-out and occupational density rates, tenancies with leases that are due to expire between 5-20 years are less likely to meet the occupational density target.

These lease expiry categories do not take into account any existing lease options that may be exercised by tenants.

4.2 Office Type

Table 7: Office type

| | Solely office (100% office) | Mainly office (80% to 99%) | Mixed (50% to 79%) | Mainly operational (0% to 49%) |
|--|--------------------------------|-------------------------------|-----------------------|--------------------------------------|
| Number of Tenancies (n) | 128 | 288 | 101 | 24 |
| Net Lettable Area (m ²) | 296,162 | 1,851,490 | 428,019 | 275,163 |
| Usable Office Area (m ²) | 285,296 | 1,627,614 | 227,418 | 36,980 |
| Work-points (n) | 20,309 | 119,699 | 16,271 | 2,078 |
| Staff (n) | 17,474 | 103,190 | 13,447 | 1,897 |
| Vacant Work-points (n) | 2,835 | 16,509 | 2,824 | 181 |
| Work-point Vacancy Rate (%) | 14.0% | 13.8% | 17.4% | 8.7% |
| Average Fit-out Density (m ²) | 14.0 | 13.6 | 14.0 | 17.8 |
| Average Occupational Density (m ²) | 16.3 | 15.8 | 16.9 | 19.5 |
| Meeting the Occupational Density Target (%) | 30.5% | 30.6% | 36.6% | 29.2% |

A tenancy is categorised as 'solely office', 'mostly office', 'mixed', or 'mostly operational' depending on the ratio of usable office area to net lettable area.

- If a tenancy's usable office area equals 100 per cent of its net lettable area, then it is deemed to be 'solely office';
- if the ratio is between 80 and 99 per cent, the tenancy is considered to be 'mostly office';
- if the ratio falls to between 50 and 79 per cent, the tenancy is 'mixed'; and
- if usable office area makes up less than 50 per cent of the net lettable area, then the tenancy is 'mostly operational'.

4.3 Tenancy Size

Table 8: Tenancy Size

| | Small | Medium | Large | Very Large | Total |
|--|---------|---------|---------|------------|-----------|
| Number of Tenancies (n) | 165 | 262 | 83 | 31 | 541 |
| Net Lettable Area (m ²) | 236,456 | 894,777 | 839,808 | 879,794 | 2,850,834 |
| Usable Office Area (m ²) | 116,221 | 588,815 | 720,418 | 751,854 | 2,177,308 |
| Work-points (n) | 8,149 | 41,978 | 53,830 | 54,400 | 158,357 |
| Staff (n) | 6,738 | 36,499 | 46,549 | 46,222 | 136,008 |
| Vacant Work-points (n) | 1,411 | 5,479 | 7,281 | 8,178 | 22,349 |
| Work-point Vacancy Rate (%) | 17.3% | 13.1% | 13.5% | 15.0% | 14.1% |
| Average Fit-out Density (m ²) | 14.3 | 14.0 | 13.4 | 13.8 | 13.7 |
| Average Occupational Density (m ²) | 17.2 | 16.1 | 15.5 | 16.3 | 16.0 |
| Meeting the Occupational Density Target (%) | 28.5% | 35.1% | 31.3% | 19.4% | 31.6% |

A tenancy is categorised as:

- Small, where the usable office area is between 500-1000 m²;

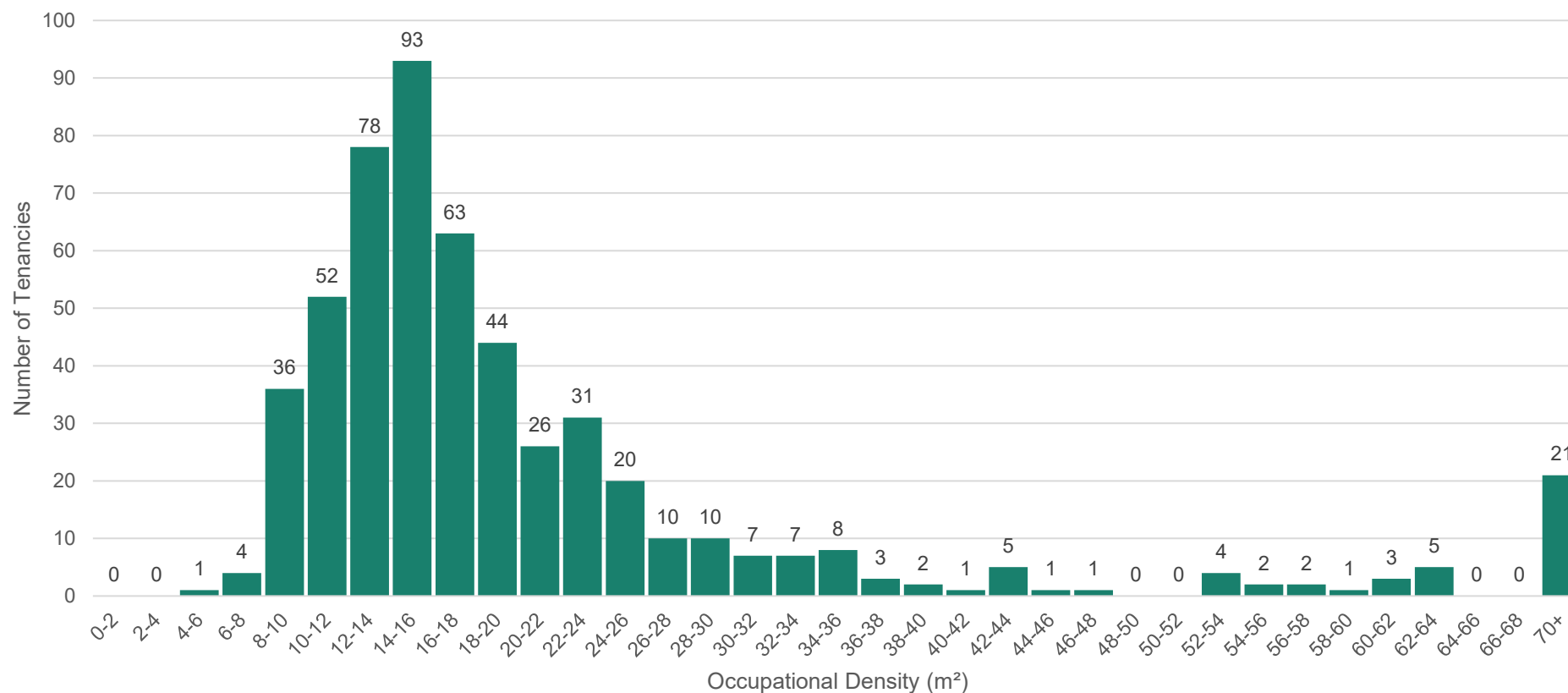
- Medium, where the usable office area is between 1000-5000 m²;
- Large, where the usable office area is between 5000-15,000 m²; or
- Very large, where the usable office area is greater than 15,000 m².

This year's data shows that 35.1 per cent of medium sized tenancies meet the occupational density target, the highest across all categories. The highest work-point vacancy rate (17.3 per cent) belongs to small tenancies.

The data also shows that smaller tenancies have less-dense fit-outs on average compared to larger tenancies (an average of 14.1 m² for small/medium tenancies and an average of 13.6 m² for large or very large tenancies).

5. Occupational Density

5.1 Distribution of Occupational Density Rates for Tenancies



The preceding chart shows the distribution of occupational density rates for every tenancy.

171 tenancies fall under the Government's target of 14 m² of usable office space per occupied work-point.

These 171 tenancies had an average fit-out density of 11.4 m² of usable office area per work-point and a work-point vacancy rate of 6.7 per cent – both of which are better than the Commonwealth average. In comparison, the 370 tenancies that did not meet the target had an average fit-out density of 15 m² and a work-place vacancy rate of 17.9 per cent.

93 tenancies have an occupational density between 14-16 m². A modest improvement in these tenancies would see a far higher proportion of Commonwealth tenancies to meet the Government's target.

It should also be noted that 21 tenancies have occupational density rates of 70 m² usable office area per occupied work-point or higher. Of these:

- 7 have leases that have since expired, and the high occupational density rate is due to entities moving staff out of these tenancies before the end of the lease;
- 7 more are offices attached to operational facilities, the majority of which are located at docks or airports;
- Two are defence tenancies;
- Two are predominately used as training facilities;
- One is a small subset of a larger lease;
- One is located in a remote location near Indigenous communities; and
- One is a vacant building scheduled for demolition.

Appendix A: Technical Notes

From median to average

A measure of 'central tendency' is a single value that attempts to describe and accurately reflect a set of data by identifying the central position (or most typical result) within that set of data.

Previous editions of the Occupancy Report have used the median (the middle number in a series) as the measure of central tendency for fit-out density, occupational density, and work-point vacancy rates.

While the median is a relatively accurate measure of central tendency for large datasets, it does not always provide an accurate representation for smaller sample sizes. This is because the median ignores the relative size of leases.

In this version of the Occupancy Report the average is used (instead of the median) as the measure of central tendency as it better describes the relative importance of each observation (as is the case when comparing leases of varying size).

It is important to note that the change from median to average has little effect on aggregate results. The Commonwealth's median occupational density for 2018 is 16.2 m² rather than the average of 16.0 m²; the median fit-out density is 13.9 m² while the average is 13.7 m²; and the median work-point vacancy rate is 12.5 per cent while the average is 14.1 per cent.

Appendix B: Glossary of Terms and Concepts

Terms and concepts used in the Report are detailed below.

Net Lettable Area represents the total office space of tenancy, this is measured in square metres (m²) and is the area between internal walls of a building that is being leased.

Usable Office Area is the *net lettable area* of a tenancy, minus any area that has been sub-leased to another party and any area that is deemed unsuitable for office-work.

Most areas that are deemed not suitable for office-work may fall into one of the following categories:

- Basement or inadequate amenities – including physical constraints, such as the absence of natural light or ongoing construction, maintenance or fit-out.
- Police station, laboratory, or hospital.
- Areas specifically for operational activity – including space to interview, counsel, or detain members of the public.
- Public facilities – including areas that are freely accessible to the public, such as libraries, galleries, reception areas and waiting areas.
- Judicial chambers and court rooms.

- Areas specifically for the Governor-General, the Prime Minister, and Parliamentarians.
- Emergency and Crisis Coordination Areas.

Work-points is defined as a desk, enclosed office, or a counter where it would be reasonable to expect a person to carry out office work on an ongoing basis. Work-points are counted by entities in the weeks leading up to 30 June.

Staff, or Staff Allocated to Lease is the number of staff allocated to a tenancy, measured on a headcount basis and inclusive of contractors. Staff are counted by entities in the weeks leading up to 30 June.

Vacant Work-point is the number of vacant desks in a tenancy, which is derived by subtracting the *staff allocated to lease* from the number of *work-points* in a tenancy.

Occupied Work-point is the number of occupied desks in a tenancy, which is equivalent to the number of *staff allocated to lease*.

Work-point Vacancy Rate is the number of *vacant work-points* expressed as a percentage of total *work-points*.

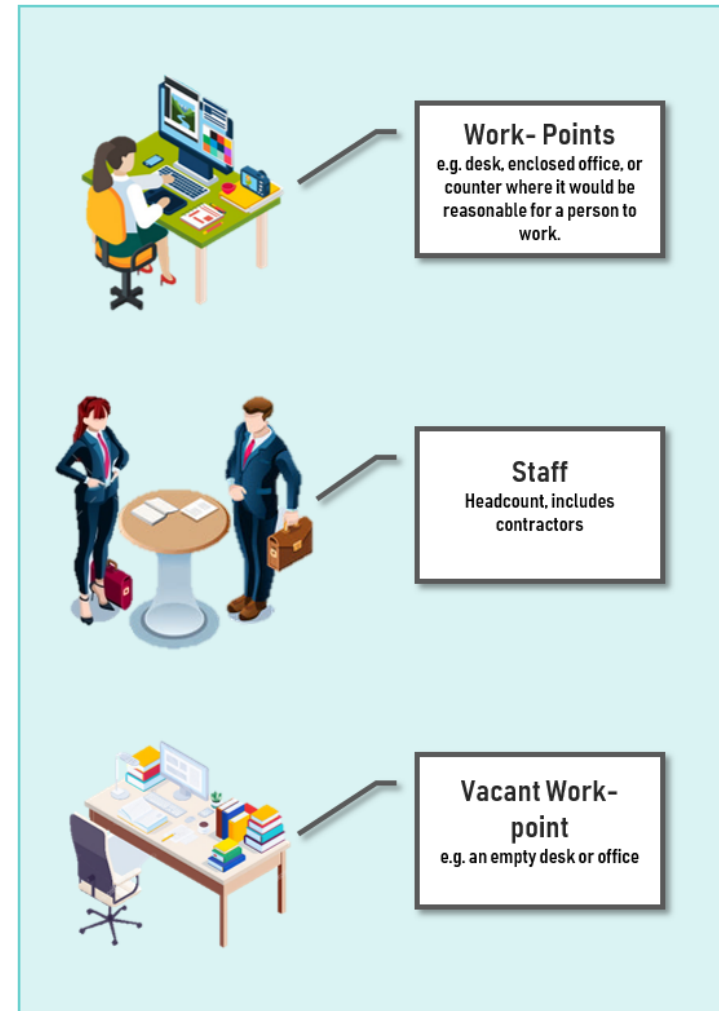
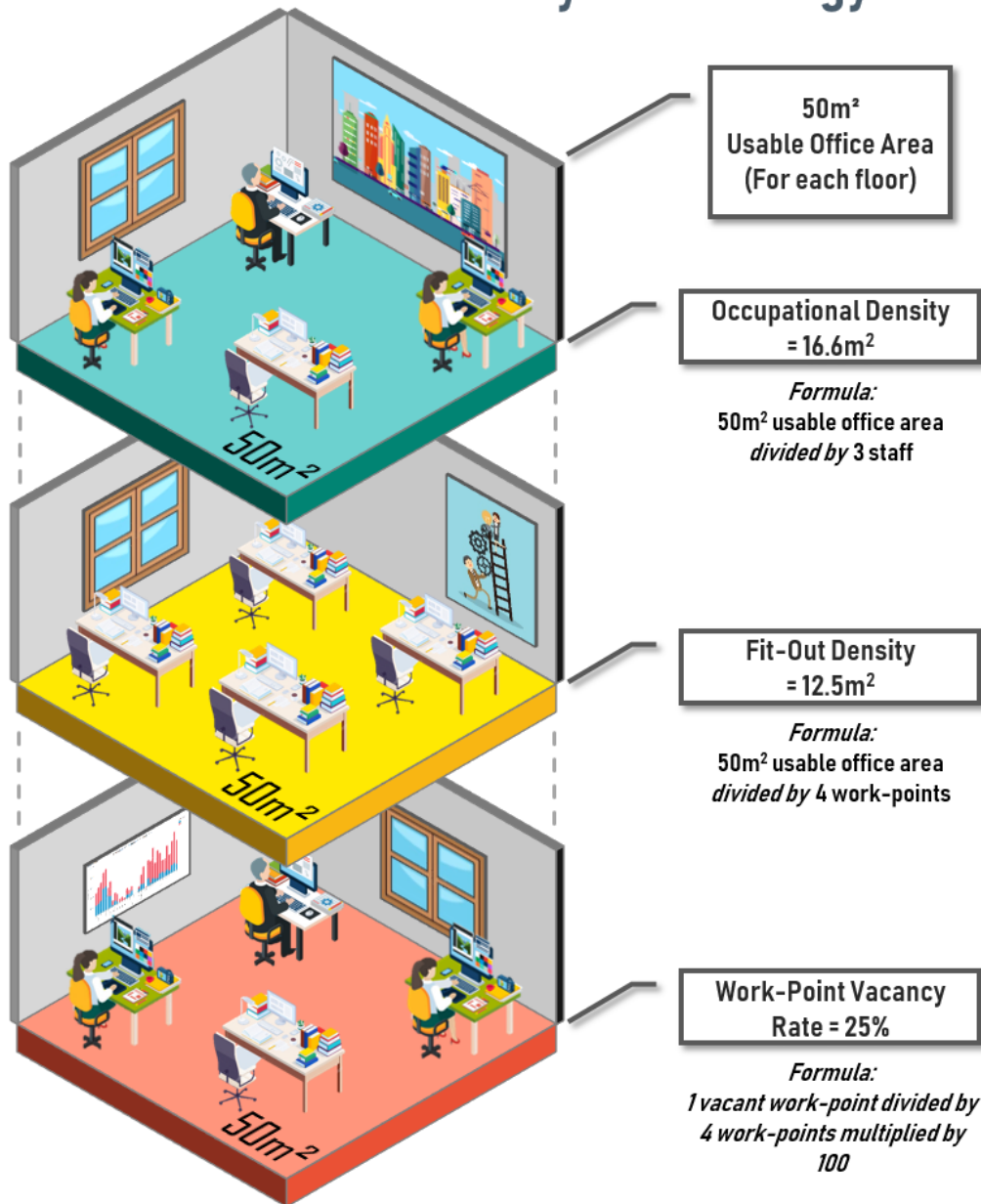
Fit-out Density is the square metres of *usable office area* divided by the total number of *work-points*.

Occupational Density is the square metres of *usable office area* divided by the number of *occupied work-points*.

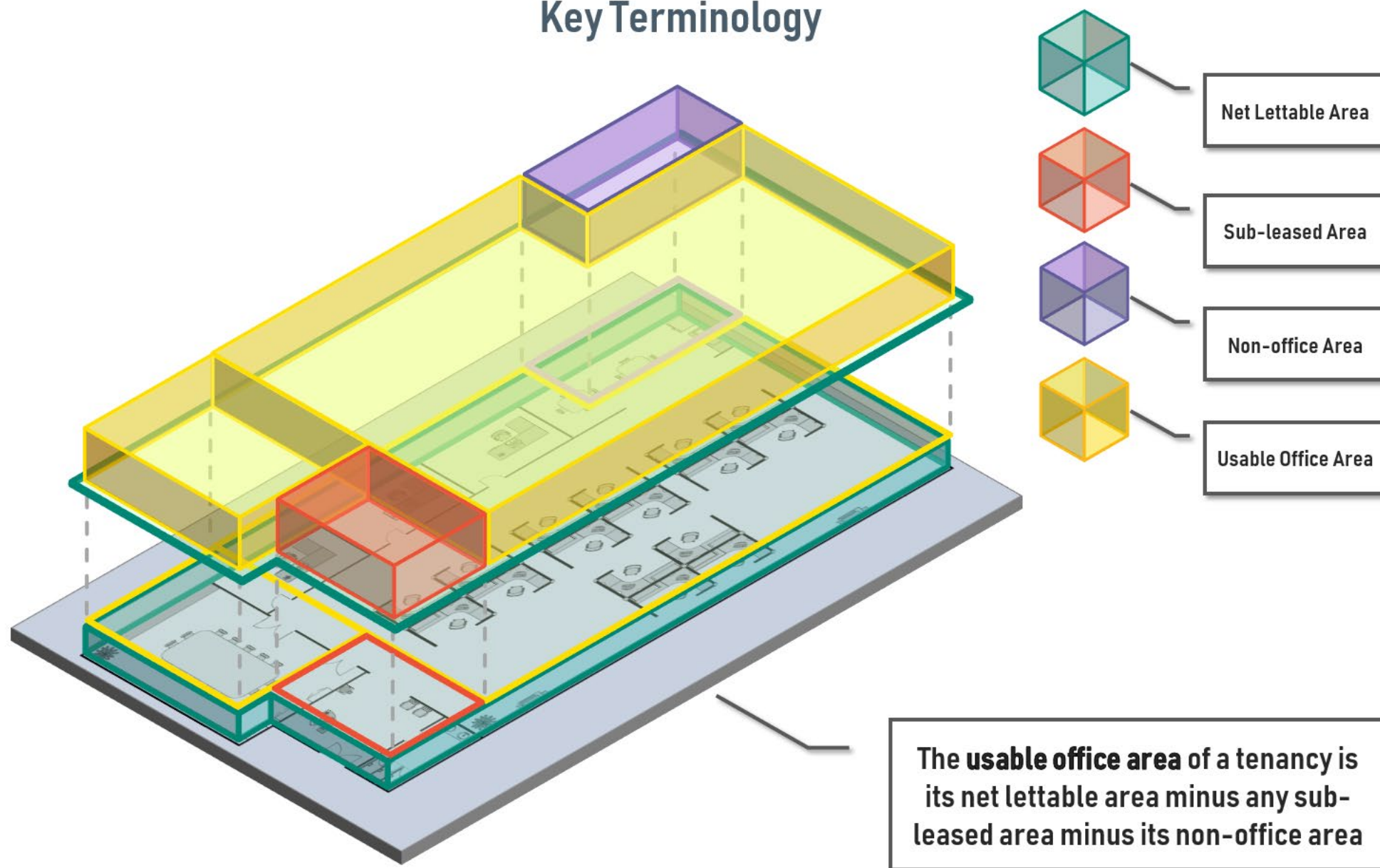
The Government has set an occupational density target of 14 m² of *usable office area* per *occupied work-point*.

Meeting the occupational density target expressed as a percentage by dividing the number of tenancies with an occupational density of less than, or equal to, 14 m² by the total number of tenancies that meet a given criteria.

Key Terminology – EXAMPLE FIGURES



Key Terminology



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Appendix C: Collection and Verification of Data

Non-corporate Commonwealth Entities are required to report office space information to Finance annually, unless exempted as a security or intelligence organisation. Corporate Commonwealth Entities and Commonwealth Companies are invited to report office space information to Finance, but are not required to do so, and their information is not presented in the Occupancy Report.

Entities' property information is stored on the Australian Government Property Register (AGPR) which is a cloud-based database that can be accessed and updated at any time.

Property information is entered into the AGPR by entities or their Property Service Provider (PSP) and is verified by a senior executive before being submitted annually to Finance between July and August.

Once submitted, Finance interrogates the data to ensure it is internally consistent and reasonable, liaising with entities or the PSPs as required.

While the Occupancy Report only contains information on tenancies with over 500 m² of usable office area, from 2018 the AGPR captures data on all office space – regardless of size or cost – in order to better inform Government policy-making.

Previous editions of the Occupancy Report have included data from 2014 and 2015. To ensure consistency, from this edition onward, only data stored in the AGPR that commenced from 2016, is referred to in the Occupancy Report.

Appendix D: Sources

The Report relies on information entered into the AGPR by entities or the PSPs, between 2016 and 2018.

The Report also uses the Australian Bureau of Statistics catalogue 1270.0.55.006 - *Australian Statistical Geography Standard (ASGS): Correspondences, July 2011. Datacube: Postcode 2011 to Remoteness Area 2006* to designate the remoteness category for each tenancy.