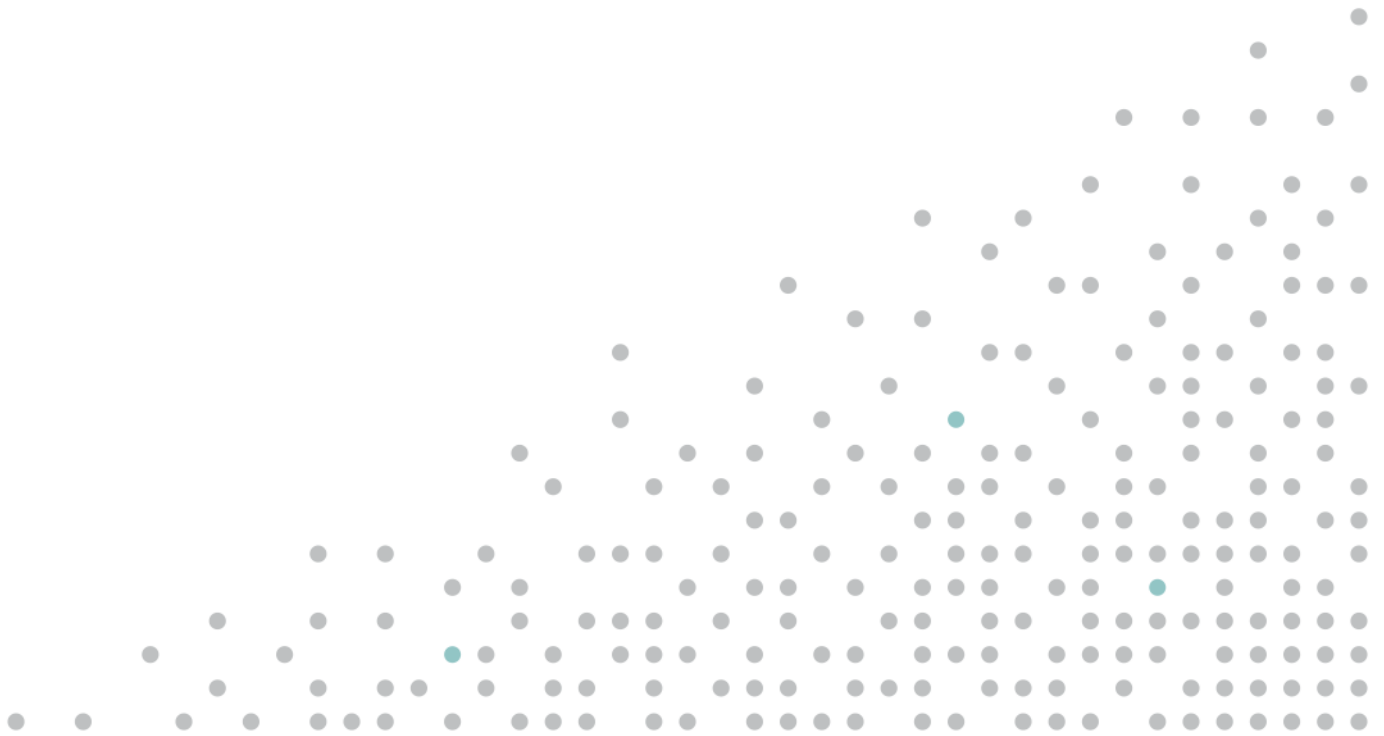




Australian Government
Department of Finance



Commonwealth Property Management Framework

Resource Management Guide No. 500

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Audience	4
Introduction	4
Commonwealth Property Management Framework	4
Public Governance, Performance and Accountability Act 2013	4
GovTEAMS Property Community	5
Part 1 – Planning	6
Property Management Plan	6
Whole of Government Leasing Strategy	6
Capital Management Plan	6
Occupational Density Target	7
Workplace Design	7
Legislative and Policy Approval Requirements	7
Part 2 – Budgeting and Funding	9
Budget Requirements	9
Whole-of-Life Costs	9
New Policy Proposal	10
Part 3 – Managing	11
Property Services Coordinated Procurement Arrangements	11
Part 4 – Leasing	12
Minimising Surplus Office Space	12
Lease Endorsement	13
Commonwealth National Lease	14
Divesting a Lease	14
Part 5 – Capital Works	15
Parliamentary Standing Committee on Public Works	15
Two Stage Capital Works Approval Process	15
Part 6 – Ownership and Disposals	18
Commonwealth Property Disposals	18
Property Disposals Clearing House	18
Part 7 – Reporting	19
Australian Government Property Register	19
Glossary	20
Definitions	20
Acronyms	22

Audience

1. The Commonwealth Property Management Framework is mandatory for officials and accountable authorities of non-corporate Commonwealth entities (NCEs). Corporate Commonwealth entities (CCEs) may be subject to legislative and policy aspects of the Commonwealth Property Management Framework, such as the Two Stage Capital Works Approval Process, the [Lands Acquisition Act 1989](#) and [Public Works Committee Act 1969](#), and are responsible for ensuring compliance.

Introduction

Commonwealth Property Management Framework

2. The purpose of the Commonwealth Property Management Framework is to facilitate informed decisions by non-corporate Commonwealth entities (NCEs) and establish a foundation for achieving value for money, demonstrated through:
 - i. effective planning;
 - ii. ensuring the efficient use of property wherever possible, including through a cooperative, whole of government approach to property management outcomes;
 - iii. accountable and transparent decision-making;
 - iv. appropriate engagement with risk; and
 - v. compliance with relevant legislation and Commonwealth policies, including with respect to the environment, heritage and use of public resources.
3. The Commonwealth Property Management Framework applies to property owned or leased by the Commonwealth in Australia, including external territories, and for property located overseas.
4. The Commonwealth's property (owned or leased) located overseas – except for certain national security-related facilities – is managed by the Department of Foreign Affairs and Trade.
5. Requirements that must be complied with in respect of Commonwealth Property Management Framework are denoted by the term 'must'. The term 'should' indicates good practice.
6. The Commonwealth Property Management Framework also includes links to web-based guidance, developed by the Finance to assist NCEs manage their property needs.

Public Governance, Performance and Accountability Act 2013

7. The Commonwealth Property Management Framework supports the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act).
8. Under the [PGPA Act](#), accountable authorities and officials have a duty to promote the proper use and management of public resources. In relation to the Commonwealth Property Management Framework, proper use means efficient, effective, economical and ethical management of owned and leased Commonwealth property.

9. The Commonwealth Property Management Framework relates to real property. It complements Division 1 of the [Commonwealth Procurement Rules](#) (CPRs), such that officials of NCEs must comply with and demonstrate value for money to ensure the best outcome from property decisions. For clarity, the Commonwealth Property Management Framework operates in respect of property-related transactions that are otherwise exempt from Division 2 of the CPRs (due to the use of Exemption 1 in Appendix A of the CPRs).
10. In accordance with Section 4 of the CPRs, the Property Services Coordinated Procurement Arrangements are mandatory for all NCEs.
11. The [Commonwealth Risk Management Policy](#) requires accountable authorities and officials to establish and maintain appropriate systems and internal controls for the oversight and management of risk. This is also applicable to property management.

Other Property Policy Considerations

12. There are other policies of the Australian Government that impact and guide decision-making in the property context.
13. The Government has committed to reducing the Australian Public Service's greenhouse gas (GHG) emissions to net zero by 2030. Policy being developed to support meeting this commitment will include reducing emissions from leased and owned properties, such as emissions generated by electricity and gas use. Further detail on this policy will be included as it is released. The section "Emissions Reduction" includes interim considerations in the property context, which will be updated as the policy is developed and released.

GovTEAMS Property Community

14. There is a number of GovTEAMS Property communities available to those entities who are part of the Property Services Coordinated Procurement (PSCP) Arrangements.
 - i. The "Whole of Australian Government Strategic Leasing" community is a central repository where entities can access guidance and resource documents, and engage in conversations on a range of property matters.
 - ii. There are three "WoAG Property" communities for entities that operate under each of the Property Service Providers.
 - iii. There is an "APS Net Zero 2030" community for entities to support each other in achieving net zero greenhouse gas emissions.
15. To become a member of the GovTEAMS Property Community or for more information, please contact [Finance](#).

Part 1 – Planning

Property Management Plan

16. Non-corporate Commonwealth entities (NCEs) must have a Property Management Plan that:
 - i. sets property objectives, defines performance indicators and assesses performance;
 - ii. ensures the quality, quantity, functionality, cost and availability of property are appropriate; and
 - iii. assesses options for the acquisition, sharing, renovation and disposal of property, and associated change management.
17. Property Management Plans must be provided to Finance or its nominee to inform the Whole of Government Leasing Strategy (Leasing Strategy).
18. Property Management Plans must be updated as necessary to address changing business requirements and Government policies. This includes machinery of government changes, updating of Corporate Plans, changes or amendments to a lease, new office fit-outs, significant organisational structure or function changes, or New Policy Proposals. It also includes responding to new or modified Government policies, such as APS Net Zero by 2030.
19. The [Property Management Plan template](#) should be tailored according to the size and complexity of the relevant property portfolio.
20. Under the Property Services Coordinated Procurement (PSCP) Arrangements, it is the responsibility of NCEs to ensure Property Management Plans are developed and up-to-date. NCEs can purchase, as an Additional Service from Property Service Providers (PSPs), the preparation of a Property Management Plan (also referred to in the Property Service Provider Deed as an Entity Plan). Entities retain ultimate responsibility for ensuring compliance with all relevant policies, including the Commonwealth Property Management Framework.

Whole of Government Leasing Strategy

21. The Leasing Strategy, which is maintained by Finance in consultation with NCEs, is primarily focused on office accommodation and shopfronts, and seeks to maximise value for money after consideration of Commonwealth leasing needs on a strategic whole of government basis.
22. An NCE should consult its PSP and must ensure that its property leasing decisions are consistent with the Leasing Strategy, established under the PSCP Arrangements.

Capital Management Plan

23. The Capital Management Plan (CMP) is a strategic planning document that summarises an entity's actual and planned property and other capital expenditure across the budget and forward years, and explains how it plans to fund the expenditure. CMPs must be consistent with the capital expenditure estimates reported in the Central Budget Management System.

24. Under the Capital Budgeting Policy for Australian Government Entities (Capital Budgeting Policy), entities must have a CMP for capital expenditure on properties owned and leased by the Commonwealth within Australia. CMPs are not required for the Department of Defence as it has separate capital management reporting.
25. The Capital Budgeting Policy outlines the rules and requirements concerning the management and reporting of capital/asset funding and expenditure. It is available through the Knowledge Management section of the Central Budget Management System or from an entity's Chief Financial Officer or relevant financial area.

Occupational Density Target

26. The Government's occupational density target is 14m² of usable office area per occupied work-point (for definitions of these terms and an explanation for how they are calculated please see the [Australian Government Property Data Collection Manual](#)). This target applies to Commonwealth properties, leased or owned.
27. All new leases are expected to meet the 14m² occupational density target.
28. NCEs must consider the occupational density target when undertaking planning and throughout the property management lifecycle.
29. Occupational density is reported as part of the annual [Australian Government Office Occupancy Report](#), which can be found on the Finance website.

Workplace Design

30. An NCE is responsible for its own accommodation arrangements and must incorporate efficient and effective workplace design into its accommodation planning wherever feasible.

Emissions Reduction

31. In alignment with the Government's commitment to net zero emissions for the APS, an NCE is responsible for understanding the impacts of, and reducing, its property-related emissions. While this guide is not mandatory for CCEs, they are strongly encouraged to apply these considerations.
32. Amongst other things, entities can reduce their emissions by:
 - i. switching to powering, lighting and heating buildings and devices solely using electricity rather than other energy sources such as gas and diesel;
 - ii. seeking green energy power purchasing agreements or renewable electricity – please contact Finance (APSnetzero@finance.gov.au) for further advice on possible approaches to this;
 - iii. leasing of buildings (including fit-outs), or renovating properties to a rating of 5.5 or higher under the National Australian Built Environment Rating System (NABERS), incorporating energy efficient design approaches and industry standards
 - o Finance acknowledges that securing a property rated 5.5 under NABERS may be difficult in limited markets, such as regional/remote areas or

specialised property. In these circumstances, entities should contact Finance to further discuss the approaches to emissions reductions.

- iv. reducing floor space as appropriate;
 - v. minimising electricity consumption including through energy efficient devices and behaviours, for example, using timed energy efficient lights and installing window coverings or shading devices;
 - vi. providing electric vehicle charging facilities for use by the entity's vehicle fleet, subject to business needs and in accordance with state or territory regulations and Commonwealth procurement panel arrangements; and
 - vii. considering embodied emissions during construction and fit-outs with usage of low emission materials or products.
33. Please contact Finance (APSnetzero@finance.gov.au) to further discuss the circumstances for your entity and approaches to emissions reduction.

Legislative and Policy Approval Requirements

34. Entities must ensure that property-related planning activities have appropriate regard to the relevant legislative and policy requirements, such as:
- i. [*Building and Construction Industry \(Improving Productivity\) Act 2016*](#)
 - ii. [*Code for the Tendering and Performance of Building Work 2016*](#)
 - iii. [Commonwealth Procurement Rules](#)
 - iv. [Commonwealth Risk Management Policy](#)
 - v. [*Disability Discrimination Act 1992*](#)
 - vi. [Energy Efficiency in Government Operations Policy](#)
 - vii. [*Environmental Protection and Biodiversity Conservation Act 1999*](#)
 - viii. Heritage Considerations:
 - a. [*Working Together: Managing Commonwealth Heritage Places*](#)
 - b. [*Significant impact guidelines 1.2 – Actions on, or impacting upon, Commonwealth land and Actions by Commonwealth Agencies*](#)
 - c. [*The Commonwealth Heritage List on the Australian Heritage Database*](#)
 - d. [*The Protected Matters Search Tool*](#)
 - e. [*Information on Referrals and Environment Assessments*](#)
 - ix. [*Lands Acquisition Act 1989*](#)
 - a. [*Commonwealth Property Management Framework Resource Management Guide No. 500*](#)
 - b. [*Lands Acquisition Framework Resource Management Guide No.501*](#)
 - c. [*Commonwealth Property Disposal Policy | Department of Finance*](#)
 - x. [*National Construction Code 2019*](#)
 - xi. [*National Environment and Protection Measures \(Implementation\) Act 1998*](#)
 - xii. [*National Environment Protection Council Act 1994*](#)
 - xiii. [*Native Title Act 1993*](#)
 - xiv. [*Public Governance, Performance and Accountability Act 2013*](#)

- xv. [Public Works Committee Act 1969](#)
- xvi. [Public Works Committee Regulation 2016](#)
- xvii. [Work, Health and Safety Act 2011](#)
- xviii. Relevant State and Territory legislation and local government requirements.

Part 2 – Budgeting and Funding

Budget Requirements

35. Officials are encouraged to liaise with their Chief Financial Officer (CFO) or relevant financial area to ensure that they are aware of and comply with current Finance Estimates Memoranda covering the Capital Budgeting Policy and the Budget Process Operational Rules (BPORs).
36. Additional information on funding arrangements related to Commonwealth owned and leased property may be provided by Finance from time to time.

Whole-of-Life Costs

37. Whole-of-Life Costs (WoLC) are a key element of budgeting, which must be used in the preparation of business cases for property-related plans and proposals. [Section 4.6 of the Commonwealth Procurement Rules](#) provides the cost elements that are included in WoLC.
38. Government and costing requirements for Defence are outlined in the relevant Estimates Memoranda. For additional information, Defence should contact its CFO or relevant financial area.
39. In relation to property management, WoLC must include:
 - i. acquisition;
 - ii. construction;
 - iii. lease;
 - iv. fit-out;
 - v. ongoing maintenance; and
 - vi. other costs incurred over the life time of the property.
40. For the purpose of meeting thresholds, WoLC for the:
 - i. Lease Endorsement process includes fit-out costs;
 - ii. Public Works Committee process includes fit-out costs; and
 - iii. Two Stage Capital Works Approval Process, excludes fit-out costs.
41. The Goods and Services Tax (GST) must be included within all cost elements of the WoLC estimate, along with an indication of what portion is recoverable/non-recoverable if appropriate.
42. The benefits of WoLC include:
 - i. Informed decision-making: WoLC provides the basis for comparing and assessing the options outlined in a Cost Benefit Analysis.

- ii. Long-term asset planning: Non-corporate Commonwealth entities (NCEs) are best placed to understand future resource requirements for public works under its control.
- iii. Consistent costing approach across options: Costings that are based on common metrics allow for more robust analysis and comparability.
- iv. Transparency and accountability: Visibility of the WoLC associated with a proposed investment allows for scrutiny of the project and ensures that decision-makers are able to prioritise the use of public resources. WoLC provides a baseline for considering how best to manage resources and costs over the useful life of the asset.
- v. Robust test of the value of the asset: When comparing it with the opportunity cost of capital, this test allows decision-makers to assess the different priorities, policy outcomes and environment and social factors with the WoLC of the capital investment.

New Policy Proposal

43. The BPORs provide guidance on what constitutes a New Policy Proposal (NPP), including for capital expenditure, and how entities can bring forward an NPP for Government consideration.
44. NPPs for capital works, which are estimated to have a WoLC of \$30 million or more (excluding fit-outs), are subject to the Two Stage Capital Works Approval Process. This process includes a Cost Benefit Analysis of options reasonably available to address the entity's needs, including a preferred approach.
45. Defence maintains a separate approval process for capital works proposals within the Defence Integrated Investment Program, as outlined in the BPORs. For Defence capital works proposals that fall outside this context, the BPORs apply.
46. Officials are encouraged to liaise with their CFO, relevant financial area, or Finance Agency Advice Unit on the NPP process and the BPORs.

Additional Guidance

47. Guidance on accounting for real property is available in Accounting for subsequent expenditure on property plant and equipment – RMG 113.
48. Guidance on accounting for operating leases and lease incentives is available in Accounting for operating lease expenses and incentives – RMG 110.

Part 3 – Managing

Property Services Coordinated Procurement Arrangements

49. The Property Services Coordinated Procurement (PSCP) Arrangements aim to achieve whole of government property-related outcomes, maximise market benefits and deliver efficiencies and savings. The PSCP Arrangements cover leasing services, facilities management services and ancillary services for Commonwealth domestic office accommodation and shopfronts.
50. The PSCP Arrangements include:
 - i. a Strategic Property Adviser for developing and maintaining the Whole of Government Leasing Strategy; and
 - ii. Property Service Providers responsible for providing leasing services, facilities management services and ancillary services to non-corporate Commonwealth entities.
51. Further information on the [PSCP Arrangements](#) is available on the Finance website.

Part 4 – Leasing

Minimising Surplus Office Space

52. Wherever possible, non-corporate Commonwealth entities (NCEs) must seek to minimise surplus office space through leasing decisions, including through assigning a lease to another NCE, entering into a Memorandum of Understanding (MoU) arrangement with another NCE to occupy all or part of the space, or divesting a lease to a third party external to the Commonwealth. NCEs should work with their Property Service Providers (PSPs) to identify suitable options.
53. In recognising different property requirements that NCEs may have, NCEs acting as landlords, tenants or sub-tenants, are expected to work collaboratively to reach a mutually beneficial agreement on leasing and sub-leasing arrangements. This may include after-hours access and shared use of common areas.
54. Where consistent with an NCE's business needs and the Whole of Government Leasing Strategy (Leasing Strategy), NCEs must occupy existing Commonwealth leased or owned office space as a priority over sourcing new accommodation in the market. In such instances, the tenant NCE must charge the intended sub-tenant a rent consistent with prevailing market conditions at the time the sub-lease arrangement is being established, including with regard to the likely rent and lease incentives of other leasing opportunities the sub-tenant NCE could pursue. In determining the rent, the NCE tenants may include any additional services, such as security, as a result of different operating requirements of the sub-tenant.
55. Sub-leasing arrangements between NCEs should be established and used as administrative arrangements internal to the Commonwealth, with minimal input from external consultants, and should be reflected in a formal MoU. The accountable authority for the sub-tenant NCE must take into account the benefits to public resources generally from taking a whole of government approach, in accordance with [Section 15\(2\) of the Public Governance, Performance and Accountability Act 2013](#).
56. An optional MoU template is available to NCEs for download from the [Resources section](#).
57. The Australian Government Property Register (AGPR) includes a property marketplace that can assist entities to identify vacant Commonwealth leased or owned office space, in addition to working with their PSPs.
58. Please contact [Finance](#) if you require access to the AGPR Property Marketplace.

Lease Endorsement

59. The leasing of office and shop front accommodation must be based on a value for money analysis, using Whole-of-Life Costs (WoLC) and must be consistent with the Leasing Strategy developed by the Strategic Property Adviser (SPA) for Finance.
60. Entities should engage with Finance as early as possible with respect to leasing proposals, particularly where an entity is seeking to deviate from the Leasing Strategy. Where an entity is seeking to deviate from the Leasing Strategy, it should work with its PSP to request a deviation.
61. For office and shop front accommodation leases with a WoLC between \$2 million and \$30 million (or up to \$100 million for the Department of Defence), the **Lease Notification** process must be followed.
62. For office and shop front accommodation leases with a WoLC over \$30 million (or over \$100 million for the Department of Defence), the **Lease Endorsement** process must be followed.
63. Entities should refer to the WoLC Calculator template available through their PSP for assistance with how to calculate WoLC for leasing purposes. For the purpose of the Lease Endorsement process, WoLC includes fit-out. Completed templates should be submitted along with the Cost Benefit Analysis.
64. The Finance Minister (or nominee) may also 'call-in' any other leasing proposal for endorsement, even if it would otherwise be below the value thresholds. This includes where special considerations such as local impacts apply.
65. The endorsement of a lease proposal by the Finance Minister (or nominee) does not constitute funding support for the proposal.
66. Local Impact Assessments must be undertaken where Finance considers a potential move would adversely affect a local economy, transport and logistics infrastructure or give rise to adverse social and community effects.
67. Finance will determine if a Local Impact Assessment is required, in consultation with the entity.
68. If a Local Impact Assessment is required, Finance will coordinate the assessment using the [Local Impact Assessment Methodology](#). A Local Impact Assessment must be referred to the Finance Minister when the NCE:
 - i. is considering relocating outside of its current area as defined by the Australian Bureau of Statistics SA2 area calculations; and
 - ii. the workforce proposed to be moved represents more than 10 per cent of the employment in its current locality.
69. The Finance Minister (or nominee) may impose conditions on a commercial lease procurement (including the exercise of an option under an existing lease) following lease notification and assessment. These conditions may include that a new lease procurement may not proceed due to the availability of suitable surplus space or due to inconsistency with the Leasing Strategy, or that particular requirements will apply to the procurement process where significant local impacts arise.

70. Entities that have not transitioned to the Property Services Coordinated Procurement Arrangements should contact [Finance](#) in the first instance for advice and support on leasing decisions.
71. Leases for office accommodation outside Australia are exempt from the Lease Notification and Lease Endorsement process.

Commonwealth National Lease

72. [The Commonwealth National Lease \(CNL\) Suite](#) contains templates and guidance designed to assist Commonwealth entities with lease negotiations. It has been developed on the basis that using standard form documents can reduce the time and costs associated with negotiations and improve the commercial office market's understanding of the Commonwealth's position in leasing transactions, and in doing so, achieve desired Commonwealth outcomes.
73. It is expected that NCEs will use the CNL Suite for office accommodation, although it is not mandatory.
74. Publicly available elements of the CNL Suite are available from the [Resources section](#).
75. For further information, please contact [Finance](#).

Divesting a Lease

76. When surrendering or assigning a lease or sub-leasing to a third party external to the Commonwealth, officials must have regard to their responsibilities under Section 119 of the [Lands Acquisition Act 1989](#).
77. For further information, please contact [Finance](#).

Part 5 – Capital Works

Parliamentary Standing Committee on Public Works

78. The Parliamentary Standing Committee on Public Works (PWC) is established under the [Public Works Committee Act 1969](#) (PWC Act). Under the PWC Act, public works projects proposed to be undertaken by, or on behalf of, non-corporate Commonwealth entities (NCEs) and corporate Commonwealth entities (CCEs) are subject to referral to the PWC, unless specifically exempted under the PWC Act or enabling legislation.
79. The PWC is required to consider the purpose, need, scope, cost effectiveness, any expected revenue and public value of proposed works and report its findings to Parliament.
80. Where applicable, the Two Stage Capital Works Approval Process must be undertaken by an entity prior to seeking PWC approval.
81. Under the PWC Act, public works with an estimated cost:
 - i. exceeding \$15 million (GST exclusive), and \$75 million (GST exclusive) if for defence purposes, must be referred to the PWC who will conduct an inquiry into the proposal. PWC approval is required for the project to proceed.
 - ii. between \$5 million and \$15 million (GST exclusive), and \$5 million and \$75 million (GST exclusive) if for defence purposes, must be notified in writing to the PWC¹.
82. It is important that entities notify Finance as soon as they identify that a public works project requires referral. Finance can provide guidance to entities in relation to PWC requirements.
83. Finance is responsible for preparing referral motions, expediency motions and exemptions, and briefs the Finance portfolio Minister on public works requiring referral to the PWC. The Finance portfolio Minister or a Ministerial representative moves referral motions in the Senate or House of Representatives and expediency motions in the House of Representatives.
84. For more information on the PWC approval process, entities can refer to the [Parliamentary Standing Committee on Public Works Procedure Manual](#) or contact [Finance](#) or the [PWC secretariat](#).

Two Stage Capital Works Approval Process

85. New Policy Proposals (NPPs) from NCEs and CCEs for capital works which are estimated to have a Whole-of-Life Cost (WoLC) of \$30 million or more (excluding fit-out), are subject to the Two Stage Capital Works Approval Process. Capital Works must not be separated into smaller projects to avoid the Two Stage Capital Works Approval Process.
86. Entities must follow the Two Stage Capital Works Approval Process when undertaking capital works, including capital works projects that involve acquiring property or

¹ The revised medium works notification thresholds are applicable from 1 January 2023.

property remediation, on behalf of the Commonwealth. Finance provides entities with guidance on the Two Stage Capital Works Approval Process.

87. The Department of Defence maintains its own Two Stage Capital Works Approval Process through the Major Capital Equipment Projects and the Defence Integrated Investment Program as part of the Portfolio Budget Submission process, and bi-annual updates to Government.
88. The Two Stage Capital Works Approval Process provides a methodical approach to developing the scope and cost estimate associated with a project, reducing risk and increasing cost certainty. This approach ensures that:
 - i. the Government achieves maximum value for money in the investment being made, including that funds are utilised in the most effective, economical, ethical and efficient manner; and
 - ii. the scope and budget approved is adhered to by entities.
89. Although the Two Stage Capital Works Approval Process is separate from the PWC Approval Process, required under the PWC Act, a project may be subject to both processes. The difference between these processes is that the Two Stage Capital Works Approval Process provides Government approval of funding, whereas the PWC Approval Process provides public scrutiny of proposed public works.
90. In addition to the Two Stage Capital Works Approval Process, capital works projects that meet or exceed \$30 million and/or risk thresholds may be subject to independent Assurance Reviews, including the [Gateway Review Process](#) and [Implementation Readiness Assessments](#).
91. The [Two Stage Capital Works Approval Process flowchart](#) provides an overview of the Two Stage process.

First Stage Approval Process

92. The First Stage Approval Process involves seeking the Government's in-principle agreement for a capital works project and securing the necessary funding to develop a Detailed Business Case (DBC) for further consideration by Government.
93. The First Stage Approval Process involves a strategic assessment, the development of an [Initial Business Case](#) (IBC) and New Policy Proposal (NPP) (as part of the Budget process), and seeking first stage approval.
94. Entities must use WoLC estimates (GST inclusive) throughout the development of an IBC and NPP, calculated at the P50 confidence level. For assistance with defining P50, refer to the [Defining P50 and P80 Manual](#). All options considered in the IBC must be comparable and assessed objectively and consistently.
95. The First Stage Approval Process does not guarantee or constitute approval to proceed with the capital works project.
96. Further information on the steps involved in, and requirements for, the First Stage Capital Works Approval Process is available from the [Resources section](#).

Second Stage Approval Process

97. The purpose of the Second Stage Approval Process is to secure Government approval and funding for implementation and delivery of a project in accordance with the [DBC](#).
98. The Second Stage Approval Process involves the development of the DBC and NPP, and seeking Second Stage Approval.
99. Entities must use WoLC estimates (GST inclusive), throughout the development of the DBC and NPP, calculated at the P80 confidence level. For assistance with defining P80, refer to the [Defining P50 and P80 Manual](#). All options considered in the DBC must be comparable and assessed objectively and consistently.
100. The timing of Second Stage Approval is dependent on the complexity of the project and time required to develop the DBC and supporting information.
101. Further information on the steps involved in and requirements for the Two Stage Capital Works Approval Process is available from the [Resources section](#).
102. For further information, please contact [Finance](#).

Part 6 – Ownership and Disposals

Commonwealth Property Disposals

103. Property should only be held by the Commonwealth where it demonstrably contributes to government service delivery outcomes and ownership represents value for money.
104. Commonwealth property, having no alternative efficient government use, must be sold on the open market at full market value, unless agreed otherwise by the Finance Minister.
105. For off-market sales, Commonwealth entities must not enter into any sale negotiations with potential purchasers, or discussions that might give rise to commercial obligations, whether on concessional terms or not, before receiving the Finance Minister's approval. In the first instance, any proposal for an off-market disposal of Commonwealth property should be referred to Finance for discussion, and to the relevant portfolio Minister for consideration.
106. The [Lands Acquisition Act 1989](#) (LAA) applies to the disposal of an interest in land by an 'acquiring authority' (defined to mean 'the Commonwealth or a Commonwealth authority'). The LAA has specific requirements for the disposal of an interest in land that has previously been acquired under the LAA, which must be taken into account when disposing of any such interest.
107. Entities must provide notification of surplus property suitable for disposal through the Clearing House Mechanism.
108. Additional guidance on the disposal of property is available in the [Commonwealth Property Disposal Policy](#) and the [Lands Acquisition Framework Resource Management Guide No. 501](#).

Property Disposals Clearing House

109. The Clearing House Mechanism provides a framework for entities to identify surplus Commonwealth properties and determine if other Commonwealth entities have an alternative efficient government use for the property.
110. Interested entities have ten business days (from notification) to express a need for the surplus property, prior to disposal being pursued.
111. Finance will monitor the Clearing House Mechanism and provide assistance to entities as required or where multiple alternative uses are proposed.
112. A process chart on the Clearing House Process is available from the [Resources section](#).
113. For access to the Clearing House Mechanism on GovTEAMS, or further information, contact [Finance](#).

Part 7 – Reporting

Australian Government Property Register

114. Finance maintains the Australian Government Property Register (AGPR) for leased and owned Commonwealth property. Non-corporate Commonwealth entities (NCEs), and Property Service Providers (PSPs) on behalf of NCEs, must contribute to the AGPR, in addition to the accountability and transparency requirements of Section 7 of the [Commonwealth Procurement Rules](#).
115. The annual Leased Estate Data Collection provides an evidence base for decision-making in relation to office accommodation and shopfronts leased by the Commonwealth. This data assists Finance and NCEs to identify opportunities to adopt best practice, progressively improve the management of office space and shopfronts and achieve efficiencies, and inform whole of government property decision making. This data is also used to inform the Whole of Government Leasing Strategy and to develop the annual Australian Government Office Occupancy Report.
116. The Owned Estate Data Collection provides information on land holdings, including properties that may be surplus and suitable for divestment by the Commonwealth.
117. NCEs must report the acquisition or sale of property to Finance through the AGPR.
118. For NCEs that have transitioned to the Property Services Coordinated Procurement (PSCP) Arrangements, PSP's will be responsible for collecting, validating and submitting all property data to the AGPR on behalf of NCEs. NCEs are also required to validate this information to verify its accuracy.
119. There is some data that PSPs may not have access to and will require the entity's assistance in the collection of that data (e.g. staff allocated to a lease, number of workstations) for the PSP to upload to the AGPR. PSPs will work with the entity to determine the best approach to source this data.
120. NCEs that have not yet transitioned to PSCP Arrangements will be responsible for collecting, validating and submitting all property data to the AGPR, in accordance with instructions issued by Finance.
121. Corporate Commonwealth entities may opt into the Leased Estate Data Collection and/or the Owned Estate Data Collection.
122. Finance is responsible for reporting on the leased and owned estate.
123. Finance will issue specific guidance to support any additional data collection requirements, should they arise.

Glossary

Definitions

Accountable Authorities	Refer to PGPA Act , section 12(2).
Budget Process Operational Rules	Rules endorsed annually by Cabinet, which set out the major administrative and operational arrangements that underlie the management of the Budget process.
Capital Works	Capital works typically relating to the construction, refurbishment or repair of buildings or other structures.
Corporate Commonwealth Entities	Refer to PGPA Act , section 11.
Cost Benefit Analysis	A method of economic evaluation for projects, programs or policies that measures benefits and costs as far as possible in monetary terms.
Detailed Business Case	The detailed business case provides the Government with a comprehensive analysis of all viable options, risks and costs.
Embodied Emissions	Embodied emissions, also known as embodied carbon, is the amount of greenhouse gas emissions that are associated with the extraction or production, transportation, and disposal of a product or material.
Entities	Refer to PGPA Act , section 11.
Fit-out	The design and delivery of the interior partitioning, floor, ceiling, mechanical, electrical and environmental components to meet the requirements of the building's occupants. This includes the customising and finishing of the base building (where base building is the raw floor space bounded by walls but not specifically adapted to the requirements of its occupants).
Initial Business Case	The initial business case outlines the possible benefits and costs associated with the project to secure approval from the Government to proceed to the second stage approval process.
Greenhouse Gases	Greenhouse gases are gases in the atmosphere such as water vapour, carbon dioxide, methane and nitrous oxide that can absorb infrared radiation, trapping heat in the atmosphere. This greenhouse effect means that emissions of greenhouse gases due to human activity cause global warming. For more information, see the Intergovernmental Panel on Climate Change (IPCC) .

Lease	A legal agreement made between the lessee and a lessor, which grants possession of a premises for a fixed period in exchange for the payment of rent. This includes any lease, crown lease, sub-lease, heads of agreement, exchange of letters, memorandum of understanding, contract, licence or other arrangement to which a non-corporate Commonwealth entity (NCE) may occupy part or all of a building that is not owned by the NCE, or where possession and use of property is transferred for a limited period in return for rent. It excludes arrangements to hire venues on a short-term basis.
Lease Endorsement	The process for Finance Minister endorsement of leases for shopfronts and office accommodation that exceed \$30 million in Whole of Life Costs.
Lease Notification	The process whereby entities notify Finance of a proposed leasing decision.
Leasing Strategy	The Whole of Government Leasing Strategy developed by the Strategic Property Advisor under the PSCP Arrangements.
Local Impact Assessment	An assessment undertaken in the lease endorsement process to consider an NCE's potential move and how it would adversely affect a local economy, transport and logistics infrastructure and/or give rise to adverse social and community effects.
Memorandum of Understanding	Refer to PGPA Glossary .
New Policy Proposal	As defined in the Budget Process Operational Rules.
Non-corporate Commonwealth Entities	Refer to PGPA Act , section 11.
Occupational Density Target	The Government's occupational density target is 14m ² per occupied workpoint. For an explanation on how the Occupational Density Target is calculated please see the Australian Government Property Data Collection Manual .
Officials	Refer to PGPA Act , section 13.
Parliamentary Standing Committee on Public Works	The Parliamentary Standing Committee on Public Works (PWC) is constituted by the PWC Act . The Committee conducts inquiries into matters referred to it by the House of Representatives, the Senate or a Minister.
Property	Infrastructure, land or buildings owned or leased by NCEs.
Property Services Coordinated Procurement (PSCP) Arrangements	Coordinated procurement arrangements for property services, including leasing services, property and facilities management services and ancillary services. The PSCP Arrangements are mandatory for NCEs. For more information, visit the Finance website .
Property Service Provider	Outsourced providers that are responsible for delivering leasing services, property and facilities management services and ancillary services to NCEs under the PSCP Arrangements.
Public Works	Refer to PWC Act , section 5AA.
P50 / P80	P50 and P80 refer to a confidence level regarding the probability of the cost not being exceeded.
Real Property	Real property refers to interests in land and the structures on it.

Strategic Property Adviser	Provider appointed by Finance to develop and maintain the Whole of Government Leasing Strategy under the PSCP Arrangements.
Two Stage Capital Works Approval Process	The Two Stage Capital Works Approval Process provides a methodical approach to developing the scope and cost estimate associated with a project, reducing risk and increasing cost certainty.
Whole-of-Life Costs	Refer to paragraph 37-42.
Work-point	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. This would apply to traditional, flexible or activity-based working fit-out arrangements.

Acronyms

CCEs	Corporate Commonwealth entities
CFO	Chief Financial Officer
CMP	Capital Management Plan
CNL	Commonwealth National Lease
CPRs	Commonwealth Procurement Rules
DBC	Detailed Business Case
Defence	Department of Defence
Finance	Department of Finance
GST	Goods and Services Tax
IBC	Initial Business Case
LAA	<i>Lands Acquisition Act 1989</i>
MoU	Memorandum of Understanding
NCEs	Non-corporate Commonwealth entities
NPP	New Policy Proposal
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSCP	Property Services Coordinated Procurement
PSP	Property Service Provider
PWC	Parliamentary Standing Committee on Public Works/Public Works Committee
PWC Act	<i>Public Works Committee Act 1969</i>
RMG	Resource Management Guide
SA2	Statistical Area level 2
SPA	Strategic Property Adviser
WoLC	Whole-of-Life Costs