



Australian Government  
Department of Finance

# Australian Government Office Occupancy Report

2022



# Table of Contents

1. Executive Summary .....	3
2. Key Metric Trends .....	5
3. Work-points and Staff .....	6
4. Occupational Density .....	7
5. Cost Indicators .....	8
6. Tenancies by State and Territory .....	9
7. ACT Tenancies .....	10
8. Tenancies by Remoteness .....	11
9. Tenancies by Lease Expiry .....	12
10. Top 10 Largest Entities by Controlled Area .....	13
11. Non-Office Areas .....	14
12. Property Operating Expenses .....	15
13. Property Future Focus .....	16
14. Appendix A: AGPR Office Occupational Data Summary .....	18
15. Appendix B: Glossary of Terms .....	24
16. Appendix C: Methodology and Technical Notes .....	25

# 1. Executive Summary

## OCCUPATIONAL DENSITY TARGET

The 2022 Australian Government Office Occupancy Report provides insights into tenancies with at least 500m<sup>2</sup> of usable office area that were leased or owned by Non-corporate Commonwealth entities (NCE) as at 30 June 2022.

The 2022 Office Occupancy Report is informed by the Australian Government office data collection. The Commonwealth's property policy drives efficiencies in relation to its property portfolio, leasing and uses for NCEs. The NCE must consider the occupational density target when undertaking planning and throughout the property management lifecycle.

Key trends in policy measures highlight the ongoing impact of property policy settings on property efficiency. Current property policies have stabilised a number of metrics and continue to provide ongoing incremental improvement in efficiency as leases expire over time.

In 2022, the occupational density remained consistent at 14.8m<sup>2</sup>. The occupational density target is 14m<sup>2</sup> or below. Tenancies meeting the occupational density target increased by 0.7 per cent to 44.3 per cent in 2022. As NCEs transition to new leasing arrangements that are more aligned to the target, Finance expects that occupational density will reduce, while the number of tenancies meeting the target will increase.



76 Entities

645 Tenancies

3,027,239 m<sup>2</sup>  
Controlled Area

2,422,416 m<sup>2</sup>  
Usable Office Area

14.8m<sup>2</sup>

Occupational density remains consistent (increased 0.1m<sup>2</sup> from 2021).

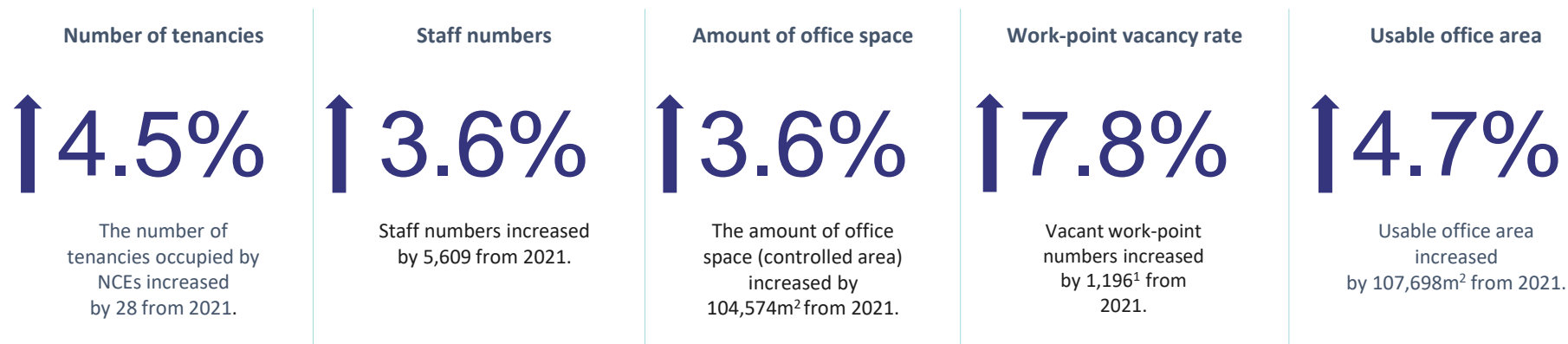
44.3%

Tenancies meeting the occupational density target (increased 0.7 per cent from 2021).

# 1. Executive Summary

## 2022 AUSTRALIAN GOVERNMENT OFFICE OCCUPANCY

During 2021-2022, NCEs increased the number of staff and the number of tenancies occupied, with most key measures of effective and efficient use of the properties continuing to track positively over time. This highlights that the property policies are supporting and sustaining efficiencies across the Commonwealth's property portfolio.



The data shows an increase in tenancy expenditure from 2021 to 2022, which is influenced by market pressures. Although commercial office markets fared differently around the country, average gross effective rents (rent and applicable outgoings less an incentive) rose in the twelve months to 30 June 2022 in Canberra and Sydney where a number of large leases commenced.

Overall:

- net tenancy expenditure increased from \$1,449.9 million in 2021 to \$1,544.2 million in 2022
- controlled area expenditure increased from \$496/m<sup>2</sup> in 2021 to \$510/m<sup>2</sup> in 2022
- cost per work-point increased from \$8,512 in 2021 to \$8,718 in 2022<sup>2</sup>.

Refer to **Appendix 1. Office Occupancy Data Summary** for further information on each of these key metrics.

1. A key reason for this increase is the lease commencement of a new Home Affairs tenancy in Melbourne, where staff have not transitioned from the existing tenancies. As a result of this there are 1,861 'vacant' work points at a point in time which have been added to the dataset from this new tenancy which has skewed the results.

2. Cost per work-point is the net tenancy expenditure divided by the number of work-points. Net tenancy expenses (total annual rent expense of each lease for all areas within the tenancy) increased 7%.

# 2. Key Trends 2012-2022

## COMMONWEALTH PROPERTY EFFICIENCY TRENDS

In 2022, there was a continued incremental improvement in efficient property use with the proportion of tenancies meeting the Occupational Density Target increasing slightly. This trend has been consistent over the past decade. The ongoing improvements in property efficiency are underpinned by strong property planning supported by the Strategic Property Adviser and the Property Service Providers.

Chart 2a. National Occupational Density

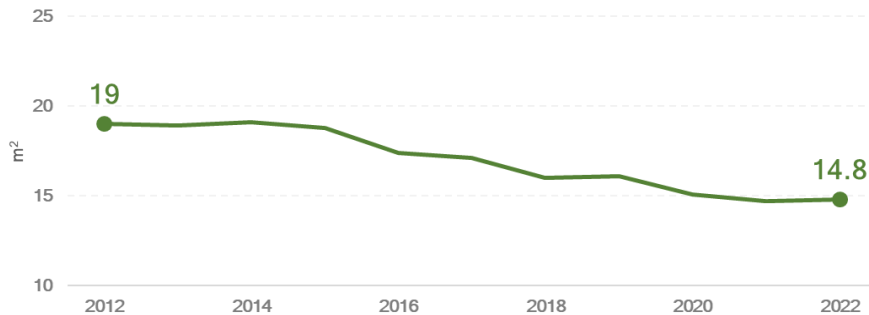


Chart 2b. Proportion of tenancies meeting the Occupational Density Target

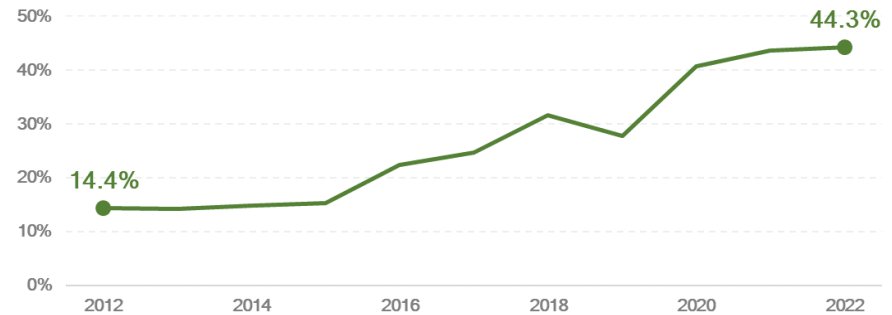


Chart 2c. National Fit-out Density

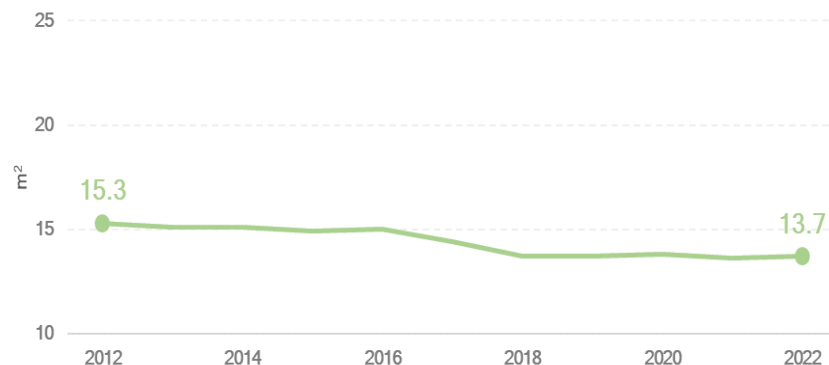
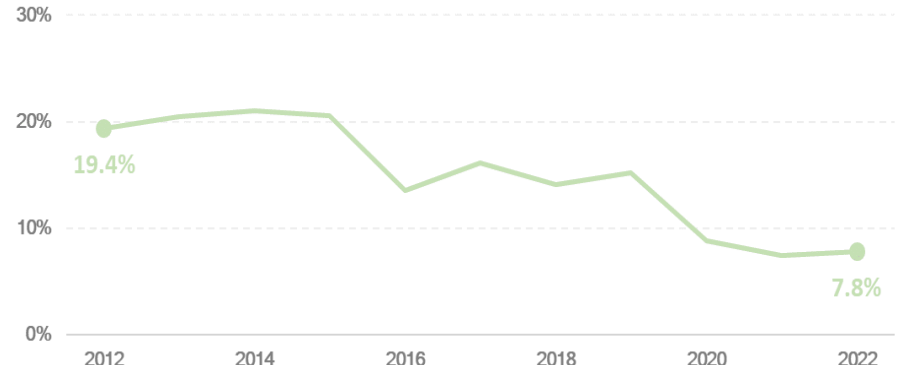


Chart 2d. National Work-point Vacancy Rate



# 3. Work-points and Staff

## STAFF

There were 163,254 staff allocated to leases reported in the 2022 Australian Government office data collection. The staff numbers refers to all full-time, part-time and casual APS and non-APS staff (for example, contractors) that are allocated to a tenancy.

This is an increase of 5,609 staff in 2022 compared to 2021.

Chart 3a. Reported Staff Numbers, 2020-2022



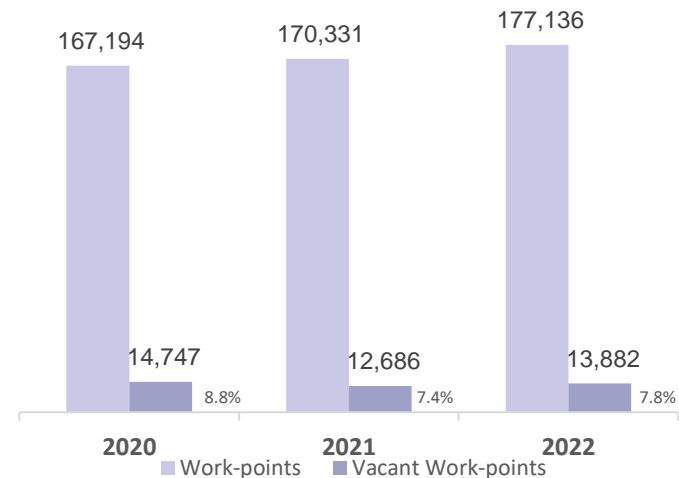
## WORK-POINT VACANCY RATE

Vacant work-point metrics will fluctuate throughout the collection period as entities relinquish leases and transition into new tenancies.

In 2022, the number of reported work-points increased by 6,805.

The increase in work-points against an increase in staff of 5,609 resulted in a minor increase in the work-point vacancy rate<sup>1</sup> of 0.4 per cent.

Chart 3b. Vacant Work-points and Unoccupied Work-points, 2020-2022



Note: Adjusting for the 1,861 'vacant' work-points added to the dataset from the commencement of a new lease Home Affairs tenancy in Melbourne, where staff have not transitioned from the existing tenancies the vacant work-points decrease 1 per cent to 6.8% or 665 vacant work-points.

# 4. Properties Meeting the OD Target

## PROPERTY USE IS EFFECTIVE

In 2022, the tenancies meeting the occupational density target increased by 0.7 per cent from 43.6 per cent in 2021 to 44.3 per cent.

The tenancies that met the occupational density target account for 42.8 per cent of the total usable office area in 2022. These tenancies provide accommodation for 56.2 per cent of total staff. The aggregate occupational density for these tenancies is 11.3m<sup>2</sup>, which is well below the 14m<sup>2</sup> target.

While a number of tenancies remain above the occupational density target, there is a requirement to balance efficiencies from achieving the target with costs associated with either refitting properties or relinquishing leases prior to expiry.

Tenancies that do not meet the occupational density target may still represent value for money, for example, where the primary purpose is to support operational requirements, specialist facilities or where the lease is in a regional or remote location with limited suitable property options.

	OFFICE TENANCIES		NET CHANGE
	2021	2022	
Aggregated occupational density	11.32m <sup>2</sup>	11.30m <sup>2</sup>	-0.02m <sup>2</sup>
% of Tenancies meeting Target	43.6%	44.3%	+0.7%
% Usable office area	41.3%	42.8%	+1.5%
% of Staff in tenancies meeting Target	53.6%	56.2%	+2.6%

# 5. Cost Indicators

## EXPENDITURE EFFECTS

The impact of COVID-19 and (global) financial pressures along with additional tenancies reported this period and subsequent increase in controlled area are clearly shown in 2022, with net tenancy expenditure increasing by \$94 million from 2021.

With this increase in net tenancy expenditure in 2022, the national average cost per staff also increased by \$262 per person to \$9,459.

The cost of the Commonwealth's property portfolio, and therefore its national cost, is driven by the Commonwealth selecting property to meet its operational requirements. This may require that a property:

- has significant non-office areas and/or
- is in a specific location or region.

While these factors can impact the average cost, the Commonwealth is utilising office space that is fit for purpose and meets business needs, which enables entities to deliver their functions and provide important services to the public.

Chart 5a. Net Tenancy Expenditure, 2020-2022



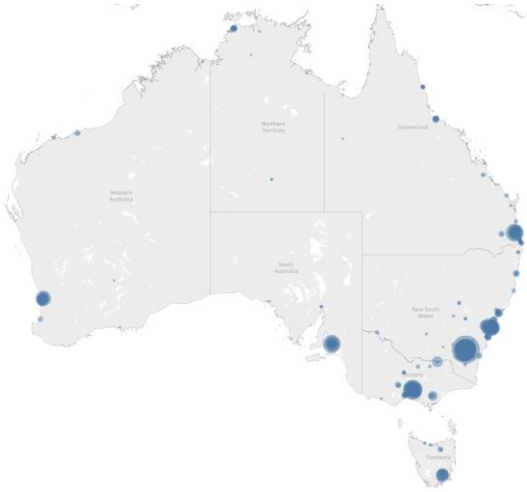
Chart 5b. National Average Costs per m<sup>2</sup>, per Staff, per Work-point





# 6. Tenancies by State and Territory

## NATIONAL SUMMARY

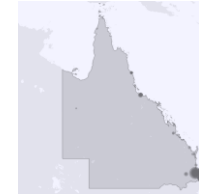


Tenancies: 645  
 Controlled Area (m<sup>2</sup>): 3,027,239  
 Usable Office Area (m<sup>2</sup>): 2,422,416  
 Work-points: 177,136  
 Staff: 163,254  
 Work-point Vacancy Rate: 7.8%  
 Fit-Out Density (m<sup>2</sup>): 13.7  
 Occupational Density (m<sup>2</sup>): 14.8  
 Tenancies Meeting OD Target: 44.3%  
 Net Tenancy Expenditure: \$1.544b  
 Cost per Controlled Area: \$510  
 Cost per Staff: \$9,459  
 Cost per Work-point: \$8,718



### NORTHERN TERRITORY

Tenancies: 19  
 Controlled Area (m<sup>2</sup>): 25,745  
 Usable Office Area (m<sup>2</sup>): 20,064  
 Work-points: 1,258  
 Staff: 794  
 Work-point Vacancy Rate: 36.9%  
 Fit-Out Density (m<sup>2</sup>): 15.9  
 Occupational Density (m<sup>2</sup>): 25.3  
 Tenancies Meeting OD Target: 5.3%  
 Net Tenancy Expenditure: \$12.4m  
 Cost per Controlled Area: \$483  
 Cost per Staff: \$15,668  
 Cost per Work-point: \$9,889



### QUEENSLAND

Tenancies: 93  
 Controlled Area (m<sup>2</sup>): 304,359  
 Usable Office Area (m<sup>2</sup>): 235,776  
 Work-points: 16,378  
 Staff: 16,840  
 Work-point Vacancy Rate: -2.8%  
 Fit-Out Density (m<sup>2</sup>): 14.4  
 Occupational Density (m<sup>2</sup>): 14  
 Tenancies Meeting OD Target: 60.2%  
 Net Tenancy Expenditure: \$147m  
 Cost per Controlled Area: \$483  
 Cost per Staff: \$8,730  
 Cost per Work-point: \$8,976



### WESTERN AUSTRALIA

Tenancies: 43  
 Controlled Area (m<sup>2</sup>): 132,414  
 Usable Office Area (m<sup>2</sup>): 87,087  
 Work-points: 6,477  
 Staff: 6,064  
 Work-point Vacancy Rate: 6.4%  
 Fit-Out Density (m<sup>2</sup>): 13.4  
 Occupational Density (m<sup>2</sup>): 14.4  
 Tenancies Meeting OD Target: 34.9%  
 Net Tenancy Expenditure: \$48.4m  
 Cost per Controlled Area: \$366  
 Cost per Staff: \$7,982  
 Cost per Work-point: \$7,473



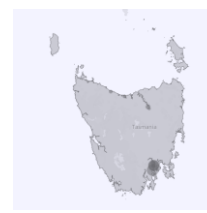
### SOUTH AUSTRALIA

Tenancies: 50  
 Controlled Area (m<sup>2</sup>): 154,925  
 Usable Office Area (m<sup>2</sup>): 118,882  
 Work-points: 9,224  
 Staff: 9,026  
 Work-point Vacancy Rate: 2.1%  
 Fit-Out Density (m<sup>2</sup>): 12.9  
 Occupational Density (m<sup>2</sup>): 13.2  
 Tenancies Meeting OD Target: 56%  
 Net Tenancy Expenditure: \$70.6m  
 Cost per Controlled Area: \$455  
 Cost per Staff: \$7,817  
 Cost per Work-point: \$7,649



### VICTORIA

Tenancies: 111  
 Controlled Area (m<sup>2</sup>): 460,526  
 Usable Office Area (m<sup>2</sup>): 360,928  
 Work-points: 27,272  
 Staff: 24,039  
 Work-point Vacancy Rate: 11.9%  
 Fit-Out Density (m<sup>2</sup>): 13.2  
 Occupational Density (m<sup>2</sup>): 15  
 Tenancies Meeting OD Target: 45%  
 Net Tenancy Expenditure: \$232.4m  
 Cost per Controlled Area: \$505  
 Cost per Staff: \$9,669  
 Cost per Work-point: \$8,522



### TASMANIA

Tenancies: 21  
 Controlled Area (m<sup>2</sup>): 61,852  
 Usable Office Area (m<sup>2</sup>): 51,573  
 Work-points: 3,619  
 Staff: 3,303  
 Work-point Vacancy Rate: 8.7%  
 Fit-Out Density (m<sup>2</sup>): 14.3  
 Occupational Density (m<sup>2</sup>): 15.6  
 Tenancies Meeting OD Target: 42.9%  
 Net Tenancy Expenditure: \$23.4m  
 Cost per Controlled Area: \$378  
 Cost per Staff: \$7,082  
 Cost per Work-point: \$6,464



### NEW SOUTH WALES

Tenancies: 139  
 Controlled Area (m<sup>2</sup>): 537,261  
 Usable Office Area (m<sup>2</sup>): 397,859  
 Work-points: 28,552  
 Staff: 25,663  
 Work-point Vacancy Rate: 10.1%  
 Fit-Out Density (m<sup>2</sup>): 13.9  
 Occupational Density (m<sup>2</sup>): 15.5  
 Tenancies Meeting OD Target: 45.3%  
 Net Tenancy Expenditure: \$299.5m  
 Cost per Controlled Area: \$557  
 Cost per Staff: \$11,671  
 Cost per Work-point: \$10,490

# 7. ACT Tenancies

## 169 ACT TENANCIES

The ACT is a unique office accommodation market. In 2022, 59 per cent<sup>1</sup> of the ACT market was held as Commonwealth tenancies.

Market certainty encourages strategic investment, which is why Commonwealth tenancies in the ACT are more likely to have longer leases than Commonwealth tenancies in other states.

There are 15 leases in the ACT with tenures greater than 10 years, compared to 7 tenancies across the rest of Australia.

Of the ACT tenancies, 37.9 per cent meet the occupational density target (up 9 per cent from 2021), with another 29 tenancies (17.2 per cent) having an occupational density between 14m<sup>2</sup> and 16m<sup>2</sup>.

In 2022, Commonwealth tenancies within the ACT accounted for:

- 26.2 per cent of all tenancies
- 44.6 per cent of the total controlled area
- 47.5 per cent of total allocated staff
- 47.6 per cent of total work-points



The suburbs in this area<sup>2</sup> account for 56.8 per cent of tenancies and controlled area within the ACT.

60.5 per cent (46 out of 76) of reporting entities have a tenancy in this region.

### AUSTRALIAN CAPITAL TERRITORY

Tenancies: **169**

Controlled Area (m<sup>2</sup>): **1,350,157**

Usable Office Area (m<sup>2</sup>): **1,150,247**

Work-points: **84,356**

Staff: **77,525**

Work-point Vacancy Rate: **8.1%**

Fit-Out Density (m<sup>2</sup>): **13.6**

Occupational Density (m<sup>2</sup>): **14.8**

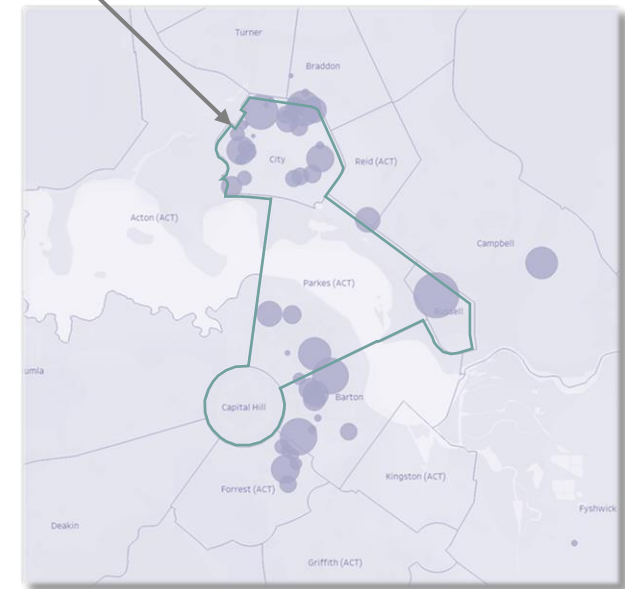
Tenancies Meeting OD Target: **37.9%**

Net Tenancy Expenditure: **\$710.5m**

Cost per Controlled Area: **\$526**

Cost per Staff: **\$9,165**

Cost per Work-point: **\$8,422**



1. Based on National Land Authority (NLA) of Tenant Leases in the 2022 AGPR as a percentage of the total ACT market using PCA Office Market Report metrics

2. Suburbs include: Braddon; Canberra City; Deakin; Forrest; Acton; Capital Hill; Barton; Russell; Parkes; and Campbell

# 8. Tenancies by Remoteness Classification

## REMTENESS CLASSIFICATION

83.9%

### Major Cities

Account for:

- 83.9 per cent of tenancies
- 92.9 per cent of total controlled area.

All entities have tenancies within one or more major cities.



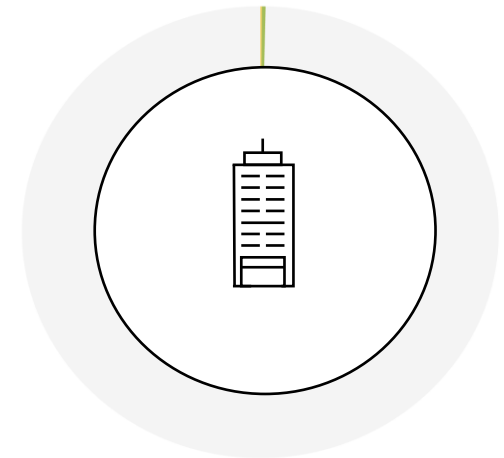
1.7%

### Remote and Very Remote

Account for:

- 1.7 per cent of tenancies
- 0.4 per cent of total controlled area.

4 out of 76 (5.3 per cent) entities have tenancies in this classification.



14.4%

### Inner and Outer Regional

Account for:

- 14.4 per cent of tenancies
- 6.7 per cent of total controlled area.

20 out of 76 (26.3 per cent) entities have tenancies in this region.

# 9. Tenancies by Lease Expiry

## LEASE EXPIRY EVENTS INCREASE PORTFOLIO EFFICIENCIES

The Commonwealth Leasing Strategy (CLS), is primarily focused on office accommodation and shopfronts, and seeks to maximise value for money outcomes on a whole of government basis.

Lease expiries present an important opportunity for the Commonwealth to assess the footprint of each tenancy, right-size where necessary, and re-negotiate rent where possible.

Density outcomes are likely to continue to improve as longer leases expire and NCEs consider new opportunities in more efficient, contemporary tenancies. All new leases are expected to meet the 14m<sup>2</sup> occupational density target.

The number of leases in-scope for the 2022 occupancy report and the CLS are 376 of 645 (58.3 per cent) leases.

Chart 9a. Weighted Average Lease Expiry

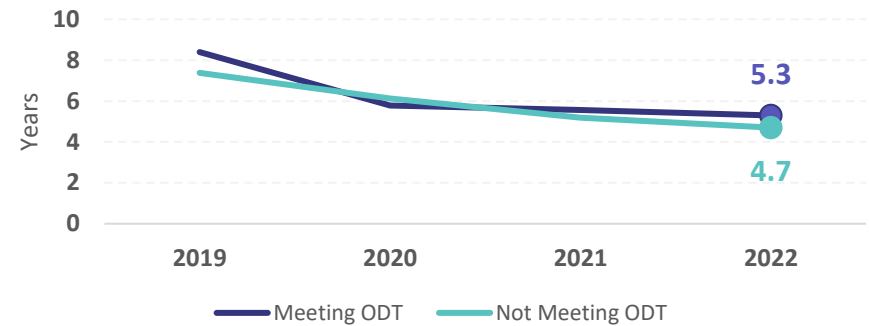
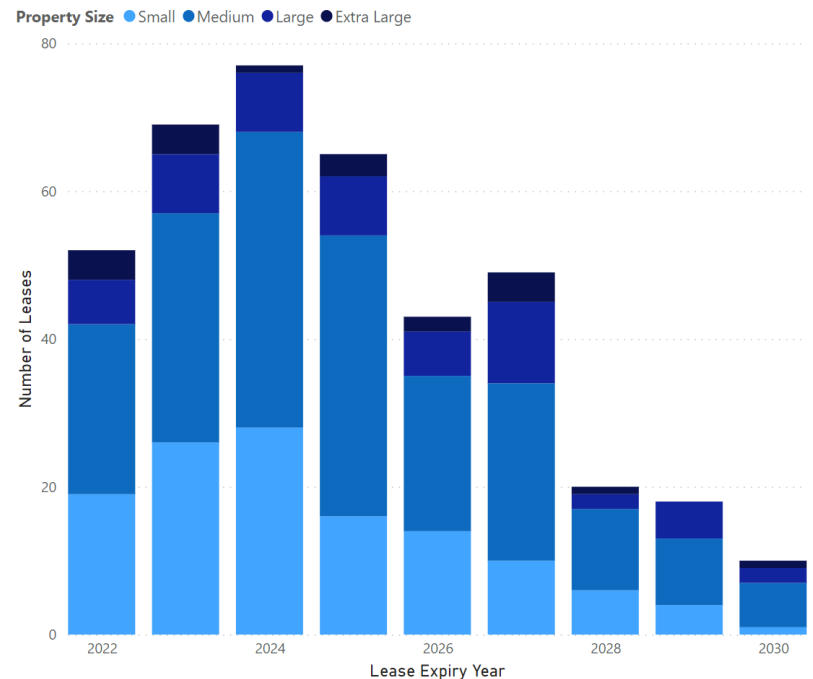


Chart 9b. Tenancies Lease Expiry with a CLS



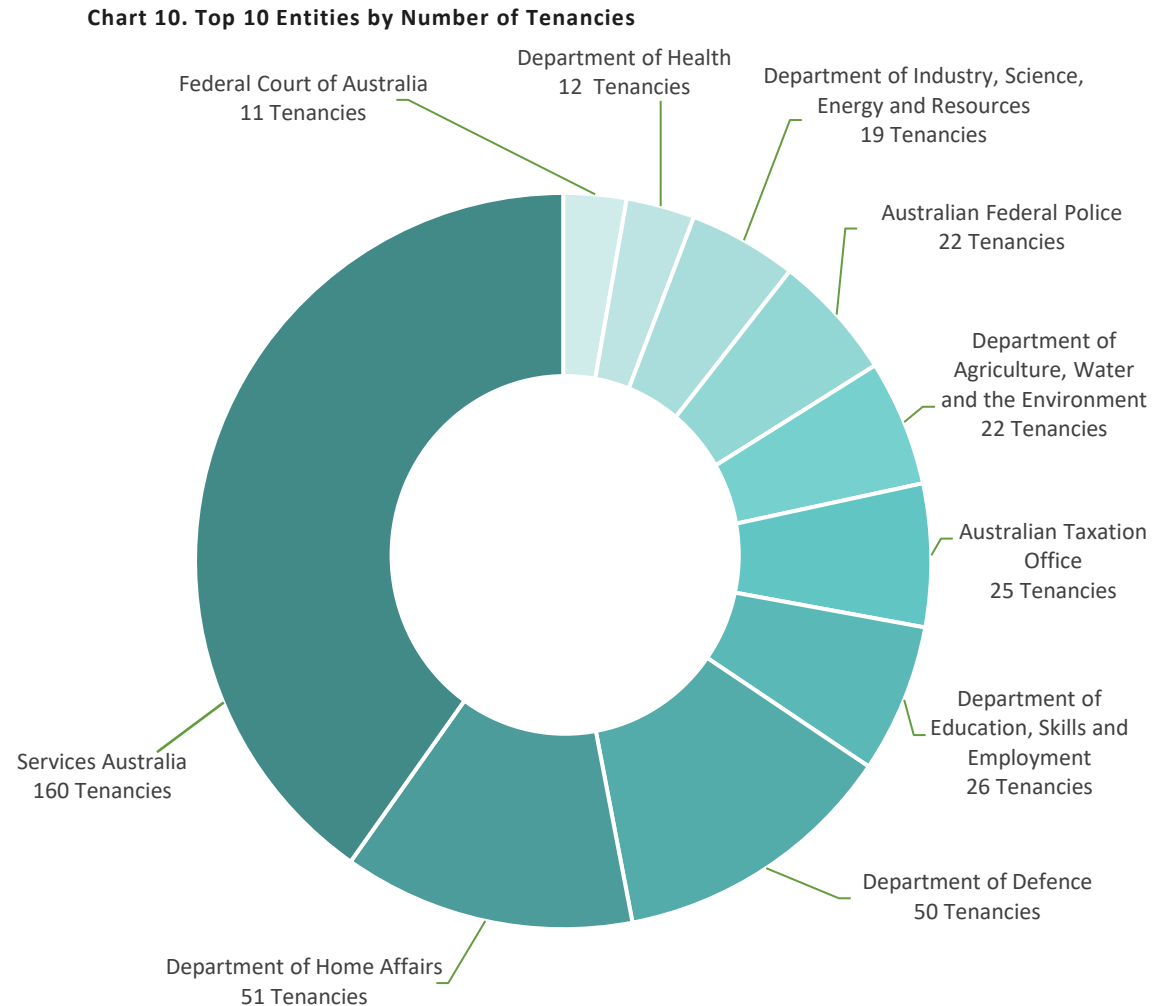
*Note: Property Size is assigned based on the amount of Usable Office Area: Small if it has 500-999m<sup>2</sup> of Usable Office Area; Medium if it has 1,000-4,999m<sup>2</sup> of Usable Office Area; Large if it has 5,000-14,999m<sup>2</sup> of Usable Office Area; Extra Large if it has at least 15,000m<sup>2</sup>.*

# 10. Top 10 Largest Entities by Controlled Area

## TOP 10 ENTITIES

The 10 largest entities account for:

- **398** tenancies (of 645 tenancies)
- **61.7** per cent of all NCE office tenancies with at least 500m<sup>2</sup> of usable office area
- **73** per cent of total controlled area
- **71** per cent of staff
- **73** per cent of work-points.



*Note: This data reflects entity composition as at 30 June 2022 at the time of the data collection. Subsequent name changes and the impact of any Machinery of Government changes that occurred after this date will be taken into account in future reports.*

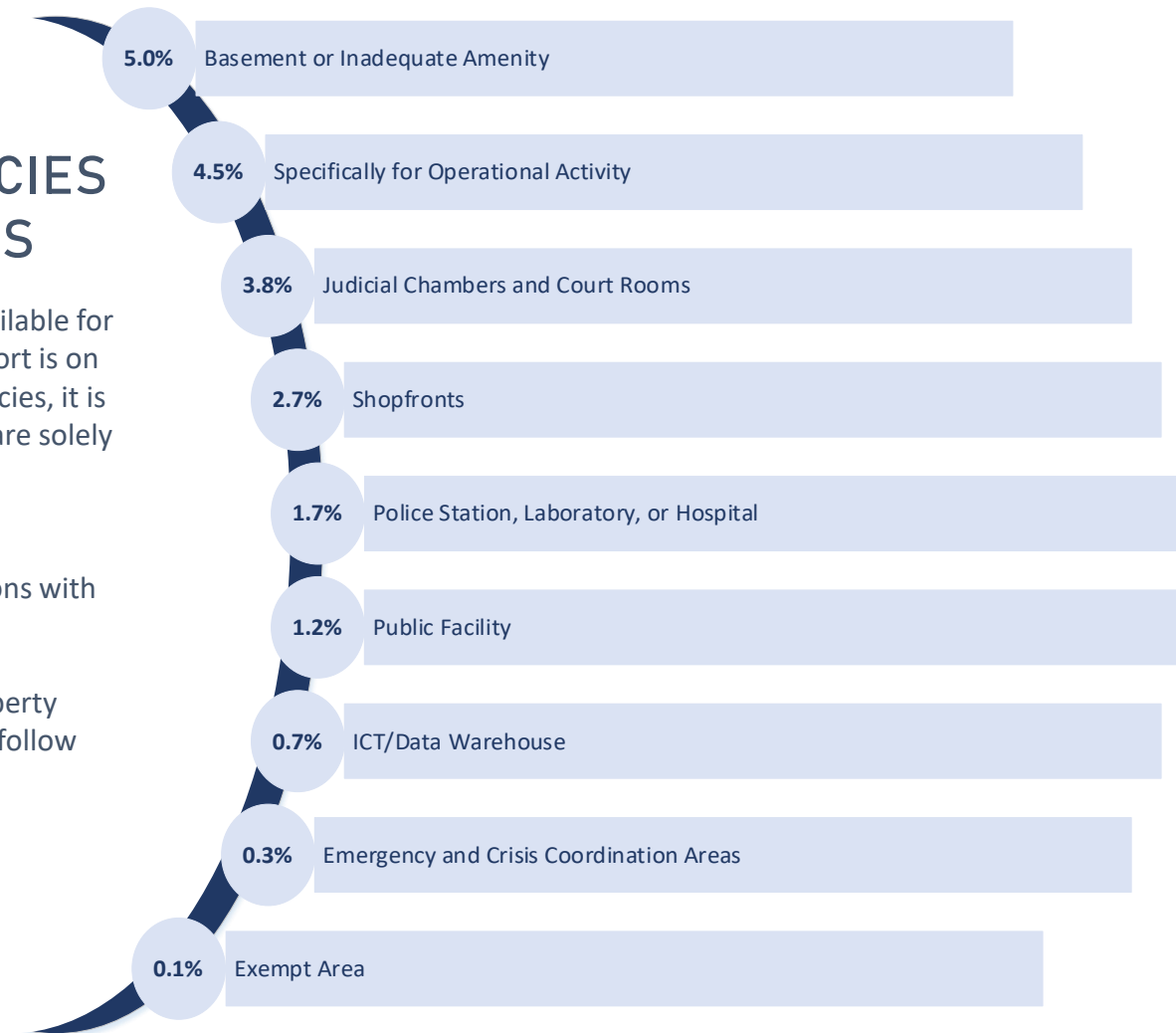
# 11. Non-Office Areas

## 20% OF LEASED TENANCIES ARE NON-OFFICE AREAS

There are 10 categories of non-office area available for entities to report<sup>1</sup>. While the focus of this report is on the utilisation of the office areas within tenancies, it is important to recognise that not all tenancies are solely office area.

Non-office areas are primarily shopfronts and operational sites that support direct interactions with the public.

These areas require different fit-outs and property priorities, which means the tenancy does not follow the same principles of occupational density requirements.



1. Descriptions of what areas can be included in each of the non-office areas is detailed in the glossary (slide 22) and the Office Data Collection Manual, published on the Department of Finance website.  
NOTE: percentages provide on this page are calculated as proportions of controlled area.

# 12. Property Operating Expenses

## 19.9% INCREASE

In addition to the increase of net tenancy expenditure (\$1,544.2 million) for Commonwealth tenancies, entities also need to pay for expenses incurred to operate each property.

Entities report property operating expenses under several categories. In 2022, the total property operating expenses for the 645 tenancies was \$248.2 million. This is an increase of 19.9 per cent from 2021. The data shows an increase in tenancy expenditure from 2021 to 2022, which is influenced by rising labour costs, increased material costs, and supply chain shortages.

The property operating expenses per staff allocated to leases increased 15.8 per cent (\$1,520).

The majority of property operating expenses are managed by each entity's Property Service Provider. The Commonwealth has three such providers, contracted under the Property Services Coordinated Procurement Arrangements, which commenced in 2018.

Chart 12. Property Operating Expenses office tenancies with at least 500m2 of usable office area



# 13. Property Future Focus

## 85 TENANCIES WITH 5.5 STAR (OR ABOVE) NABERS RATINGS

In alignment with the Government's commitment, APS Net Zero 2030, entities are responsible for improving energy efficiency and reducing emissions. In order to achieve Net Zero this would require properties to achieve a 5.5 NABERS rating.

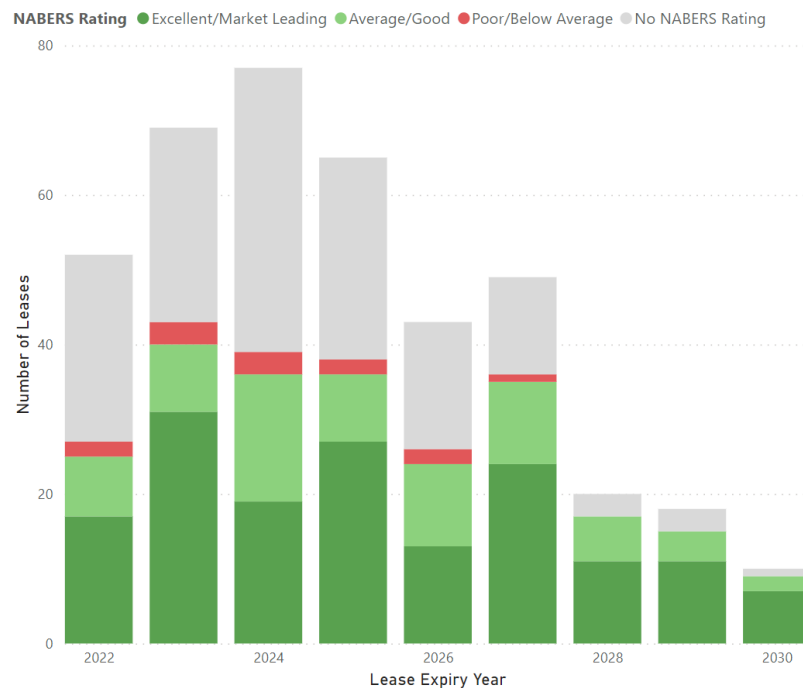
In 2022, 13.2 per cent of tenancies were identified as meeting the proposed 5.5 NABERS target. These tenancies account for 18.2 per cent of the total usable office area in 2022. These tenancies provide accommodation for 20.4 per cent of total staff.

The Government's Net Zero Unit is continuing to analyse the costs and benefits associated with higher NABERS ratings. While there are exceptions, tenancies that do not meet the NABERS target may still meet net zero emissions, however, would generally face additional challenges in doing so.

Chart 13a. National Australian Built Environment Rating System (NABERS) Rating



Chart 13b. NABERS Lease Expiry Profile with a CLS



NOTE: NABERS rating was not a mandatory field for the 2022 Data Collection. For the purposes of this analysis, leases without a NABERS rating recorded, or with NABERS rating 'No Assessment Undertaken', or 'Pending' have been excluded from Chart



# 13. Property Future Focus

## HYBRID WORK ENVIRONMENTS

A key outcome of the of the COVID-19 pandemic is the increasing trend in remote and flexible working arrangements. In 2022, the Australian Government office data collection gathered information on any lease that recorded more staff allocated to lease than work-points.

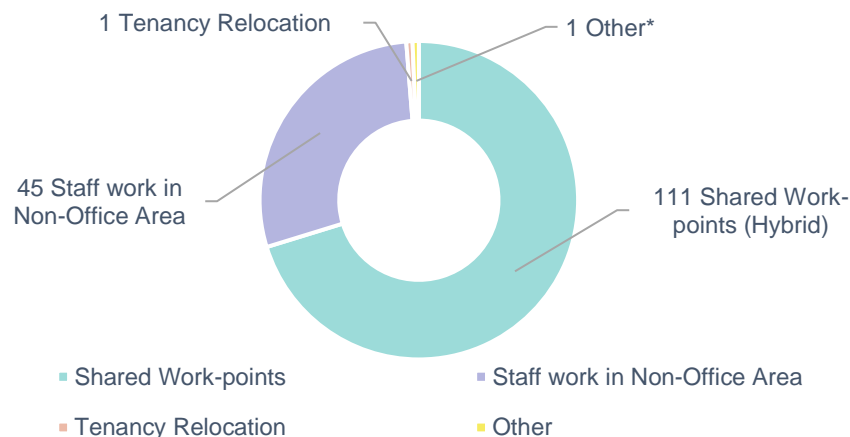
There were 158 tenancies (out of 645) recording the number of staff allocated to the lease to be great than the number of work-points. Of these, 111 tenancies (70 per cent) provided the reason for this to be a hybrid work environment, which included flexible work arrangements, activity-based working or shift work.

Entities continue to evaluate the costs and benefits of hybrid workforce strategies to determine the optimum solution. New data modelling is being investigated, including how occupational density targets are measured and informed.

Examples of entities that utilise a hybrid work environment within their current tenancies include:

- Australian Securities and Investments Commission transitioned all offices to flexible working with unallocated seating over five years ago.
- Department of Agriculture, Fisheries and Forestry<sup>1</sup> has adopted activity-based working which allocates seven workstations for every ten staff.
- Australian Bureau of Statistics provides staff with the option to work up to six days a fortnight remotely.

Chart 14a. Tenancy leases recording more staff than work-points



\*Other: Entities can select "Other" if the reason for more staff than work points in a tenancy does not fit within the other three pre-determined options.

Chart 14b. Entity evaluating hybrid work environments

In May 2022, the Property Working Group posed several questions to entities who are in the process of designing new fit-outs to accommodate their flexible work strategies.

Questions	Yes	No
Does your entity have a fit out which incorporates in your office space, flexible working/activity based working arrangements? <i>33 responses received</i>	64%	36%
Is your entity planning to fit out an office space to accommodate hybrid/flexible work/activity based working arrangements? <i>35 responses received</i>	63%	37%
Has your entity investigated the market for flexible fit out technologies/solutions? <i>30 responses received</i>	60%	40%

<sup>1</sup> Department of Agriculture, Water and the Environment became Department of Agriculture, Fisheries and Forestry on 1 Jul 2022.

# Australian Government Property Register (AGPR)

## Office Data Summary

## REPORT DATA SUMMARY

The report highlights ongoing efficiencies in the use of the Commonwealth's property portfolio. In particular:

- the percentage of tenancies meeting the occupational density target increased from 43.6 per cent in 2021 to 44.3 per cent in 2022
- the national fit-out density of tenancies has decreased from 15.3m<sup>2</sup> in 2012 to 13.7 m<sup>2</sup> in 2022
- work-point vacancy decreased from 19.4 per cent in 2012 to 7.8 per cent in 2022
- entities reported an increased in work-point vacancy rates, from 7.4 per cent in 2021 to 7.8 per cent in 2022
- the number of work-points increased by 4.0 per cent in 2022, however the cost per work-point only increased by 2.4 per cent.

The report also shows an increase in tenancy expenditure from 2021 to 2022, in particular:

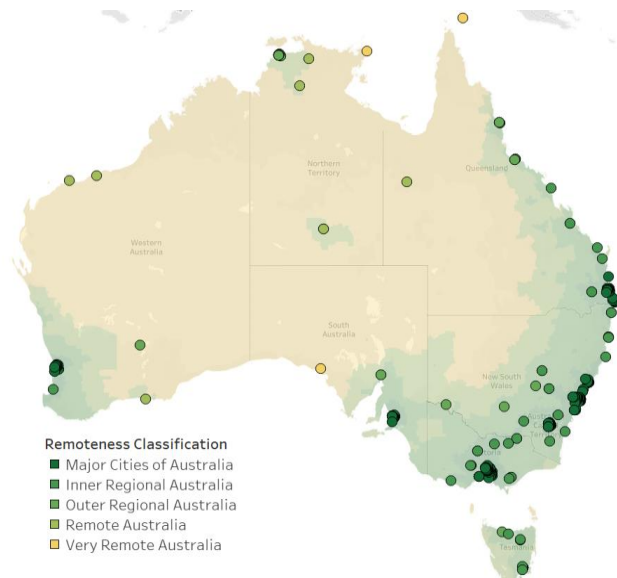
- net tenancy expenditure increased from \$1,449.9 million in 2021 to \$1,544.2 million in 2022
- controlled area expenditure increased from \$496/m<sup>2</sup> in 2021 to \$510/m<sup>2</sup> in 2022
- cost per work-point increased from \$8,512 in 2021 to \$8,718 in 2022.

### Key Metrics

Measure	2020	2021	2022
<b>Tenancies (n)</b>	609	617	645
<b>Controlled Area (m<sup>2</sup>)</b>	2,900,473	2,922,664	3,027,239
<b>Change in footprint (Controlled Area) (%)</b>	2.2	0.8	3.6
<b>Usable Office Area (m<sup>2</sup>)</b>	2,302,775	2,314,718	2,422,416
<b>Work-points (n)</b>	167,194	170,331	177,136
<b>Staff (n)</b>	152,447	157,645	163,254
<b>Vacant Work-points (n)</b>	14,747	12,686	13,882
<b>Work-point Vacancy Rate (%)</b>	8.8	7.4	7.8
<b>National Fit-Out Density (m<sup>2</sup>)</b>	13.8	13.6	13.7
<b>National Occupational Density (m<sup>2</sup>)</b>	15.1	14.7	14.8
<b>Tenancies meeting Occupational Density Target (%)</b>	40.1	43.6	44.3%
<b>Net Tenancy Expenditure (\$m)</b>	1,395.4	1,449.9	1,544.2
<b>Cost per Controlled Area (\$)</b>	481	496	510
<b>Cost per Staff (\$)</b>	9,153	9,197	9,459
<b>Cost per Work-Point (\$)</b>	8,346	8,512	8,718

## APPENDIX A. Office Data Summary

Tenancies by Remoteness Classification



NOTE: The Occupancy Report uses the Australian Bureau of Statistics' classification of remoteness, with Hobart classified as 'inner regional' and Darwin as 'outer regional'

	Major Cities	Inner Regional	Outer Regional	Remote and Very Remote	Total (all tenancies)
Number of Tenancies (n)	541	57	36	11	645
Controlled area (m <sup>2</sup> )	2,812,776	138,120	64,354	11,989	3,027,239
Usable Office Area (m <sup>2</sup> )	2,248,062	111,823	52,225	10,306	2,422,416
Work-points (n)	164,947	8,627	3,287	275	177,136
Staff (n)	152,044	8,078	2,997	135	163,254
Vacant Work-points (n)	12,903	549	290	140	13,882
Work-point Vacancy Rate (%)	7.8	6.4	8.8	50.9	7.8
Fit-out Density (m <sup>2</sup> )	13.6	13	15.9	37.5	13.7
Occupational Density (m <sup>2</sup> )	14.8	13.8	17.4	76.3	14.8
Tenancies Meeting the ODT (%)	45.7	49.1	30.6	0	44.3
Net Tenancy Expenditure (\$m)	1,459.3	56.1	26.3	2.6	1,544.2
Cost per m <sup>2</sup> (\$)	519	406	408	213	510
Cost per Staff (\$)	9,598	6,947	8,762	18,960	9,459
Cost per Work-point (\$)	8,847	6,505	7,989	9,307	8,718

### Property Operating Expenses

Property Operating Expenses	2020	2021	2022
Total Property Operating Expenses (\$m)	220.1	207.0	248.2
Change in Property Operating Expenses per m <sup>2</sup> (%)	-4.8	-6.7	15.8
Per m <sup>2</sup> (\$)	75.90	70.82	81.99
Per Staff (\$)	1,444	1,313	1,520

### Occupational Density Metrics

	% Tenancies	Occupational Density (m <sup>2</sup> )	% Usable Office Area	% Staff
0-14m <sup>2</sup>	44.3	11.30	42.8	56.2
>14m <sup>2</sup> - 18m <sup>2</sup>	24.7	15.77	31.7	29.8
>18m <sup>2</sup> - 28m <sup>2</sup>	18.0	21.40	18.2	12.6
>28m <sup>2</sup>	10.4	54.90	5.1	1.4

## APPENDIX A. Office Data Summary

### Tenancies by Lease Expiry

Measure	Holdover	0-2 Years	2-5 Years	5-10 Years	10-20 Years	20+ Years	Owned <sup>1</sup>
Number of Tenancies (n)	26	224	238	125	22	10	39
Number of Owned Tenancies (inclusive) (n)	8	6	10	4	3	8	39
Controlled Area (m <sup>2</sup> )	236,677	763,824	842,483	688,647	344,697	150,911	408,488
Usable Office Area (m <sup>2</sup> )	82,867	666,358	726,464	580,020	276,738	89,969	207,663
Work-points (n)	5,843	47,513	53,958	41,956	21,753	6,113	14,052
Staff (n)	4,898	43,858	50,669	38,363	20,255	5,211	12,506
Vacant Work-points (n)	945	3,655	3,289	3,593	1,498	902	1,546
Work-point Vacancy Rate (%)	16.2	7.7	6.1	8.6	6.9	14.8	11.0
Fit-out Density (m <sup>2</sup> )	14.2	14.0	13.5	13.8	12.7	14.7	14.8
Occupational Density (m <sup>2</sup> )	16.9	15.2	14.3	15.1	13.7	17.3	16.6
Meeting the Occupational Density Target (%)	38.5	44.2	46.2	44.0	45.5	20.0	35.9
Net Tenancy Expenditure (\$m)	50.6	431.3	460.7	400.8	190.9	9.9	67.4
Cost per m <sup>2</sup> (\$)	214	565	547	582	554	65	165
Cost per Staff (\$)	10,334	9,834	9,093	10,447	9,426	1,891	5,393
Cost per Work-point (\$)	8,663	9,078	8,539	9,552	8,777	1,612	4,800

1. Data shown in the column titled Owned is extracted from the full table.

NOTE: Where an entity is occupying a building that it owns, it can significantly affect the cost metrics as there may be no rent paid. Owned tenancy data is included in each of the categories so metrics are comparable to previous years. However, a collective metric for these owned tenancies has also been provided in Table above.

## APPENDIX A. Office Data Summary

### Top 10 Largest Entities by Controlled Area

Entity	Controlled Area (m <sup>2</sup> )	Tenancies (n)	Usable Office Area (m <sup>2</sup> )	Occupational Density (m <sup>2</sup> )	Proportion of Total Controlled Area (%)
Services Australia	519,449	160	415,315	12.6	17.2%
Australian Taxation Office	335,659	25	319,566	15.0	11.1%
Department of Home Affairs	327,216	51	287,932	25.5	10.8%
Department of Defence	317,345	50	309,627	16.4	10.5%
Federal Court of Australia	159,272	11	15,076	12.4	5.3%
Australian Federal Police	156,438	22	77,805	12.7	5.2%
Department of Agriculture, Water and the Environment	120,990	22	100,783	13.8	4.0%
Department of Health	93,924	12	82,455	13.3	3.1%
Department of Industry, Science, Energy and Resources	90,867	19	60,135	15.2	3.0%
Department of Education, Skills and Employment	90,164	26	89,476	15.1	3.0%
Subtotal of Top 10 Entities	2,211,323	398	1,758,170	15.2	73%
Total (all entities)	3,027,239	645	2,422,416	14.8	100%
Top 10 Entities as proportion of total	73%	61.7%	72.6%	—	--

## APPENDIX A. Office Data Summary

### 111 Tenancies by entity that recorded having staff greater than work-points

Entity	Tenancies	Entities	Tenancies
Services Australia	15	Australian Prudential Regulation Authority	2
Department of Agriculture, Water and the Environment	10	IP Australia	2
Australian Bureau of Statistics	9	Attorney-General's Department	2
Australian Taxation Office	8	Department of the Treasury	2
Australian Electoral Commission	8	Office of the Commonwealth Ombudsman	1
Department of Veterans' Affairs	7	Australian Fisheries Management Authority	1
Australian Federal Police	7	Department of the Prime Minister and Cabinet	1
Department of Industry, Science, Energy and Resources	6	Australian National Audit Office	1
Bureau of Meteorology	5	National Indigenous Australians Agency	1
Australian Competition and Consumer Commission	4	Fair Work Commission	1
Australian Securities and Investments Commission	4	Professional Services Review	1
Aged Care Quality and Safety Commission	4	Australian Transaction Reports and Analysis Centre	1
Fair Work Ombudsman and Registered Organisations Commission Entity	3	Cancer Australia	1
Australian Trade and Investment Commission	3	Federal Court of Australia	1

## Appendix B: Glossary of Terms and Concepts

Aggregate occupational density is calculated by dividing the aggregate usable office area for a group of tenancies by the aggregate number of work-points.

Controlled area is the net lettable area of a tenancy, minus any area that has been sub-let to a third party.

Cost per square metre is the net tenancy expenditure divided by the controlled area.

Cost per staff is the net tenancy expenditure divided by the number of staff.

Cost per work-point is the net tenancy expenditure divided by the number of work-points.

Fit-out density is the square metres of usable office area divided by the total number of work-points. The national fit-out density is calculated by dividing the aggregate usable office area for all tenancies by the aggregate number of occupied work-points.

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, 14m<sup>2</sup> by the total number of tenancies that meet a given criteria.

Net lettable area represents the total office space of a tenancy, this is measured in square metres (m<sup>2</sup>) and is the area between internal walls of a building that is being leased.

Net tenancy expenditure is the total annual rent (GST inclusive) expense of each lease for all areas within the tenancy.

Occupational density is the square metres of usable office area divided by the number of occupied work-points. The national occupational density is calculated by dividing the aggregate usable office area for all tenancies by the aggregate number of work-points.

The Government has set an occupational density target of 14m<sup>2</sup> of usable office area per occupied work-point.

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

Shared work-point is when staff share a work-point with other staff. This can be the result of flexible work arrangements, activity based working or shift work.

Staff, or staff allocated to lease is the number of staff (including contractors) allocated to a tenancy, measured by HR data, swipe card access or ICT systems. This is a count of individual staff allocated to the lease and is not an Average Staffing Level (ASL).

Usable office area is the controlled area of a tenancy, minus 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.
- Emergency and Crisis Coordination Areas.
- Areas classified as Exempt areas - an in-scope tenancy that are unsuitable for office work but do not meet the non-office-area exclusions defined in the AGPR manual. Exemptions are on a case by case basis.
- Shopfronts
- ICT/Data warehouses

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.

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.

Work-point vacancy rate is the number of vacant work-points expressed as a percentage of total work-points. This can be negative where staff is greater than work-points



# Appendix C: Methodology and Technical Notes

## The Dataset

Finance undertakes an annual data collection on all properties that have a utilised office component. This includes leases where office space is only a small portion of the property's purpose. Contributing to the data collection is mandatory for all Non-corporate Commonwealth Entities and optional for Corporate Commonwealth Entities.

The subset of data underpinning this report is defined by the following conditions:

- Non-corporate Commonwealth entity leases with at least 500m<sup>2</sup> of usable office area; and
- Current leases as at 30 June 2022.

Seventy-six entities are included in this report.

As with the 2020 Occupational Report, this report uses *controlled area* as the standard measure, rather than net lettable area. This prevents double-counting of areas sub-let to other entities and provides a more accurate measure of space at a Whole-of-Government level and a better indication of the Commonwealth's overall footprint.

### Collection and verification of data

All Non-corporate Commonwealth entities are required to report office space information for all tenancies (regardless of size and cost) annually, unless exempted. 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 Occupational Report.

Entities' property information is stored on the Australian Government Property Register, 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 and is verified by a senior executive before being submitted to Finance.

Finance analyses the submitted data to ensure it is consistent and reasonable, liaising with entities or Property Service Providers to confirm its accuracy and completeness.

### Data Collection Timeframes

The reported office data is collected through the Australian Government Property Register, which entities (through their Property Service Provider) are required to update annually, as at 30 June.

The point-in-time nature of the data can add volatility to annual results. However, the information provides an understanding of medium and long-term trends, especially given that the impact of leasing decisions are evident over several years.

### Process changes to the 2022 office data collection

#### Last Major Fit-out fields now mandatory

In 2022, changes have been made to the fit-out data collected to help ensure the required data is reported. This includes expanding the definition of major fit-out to include the initial fit-out for a tenancy.

The fit-out fields within the Leases tab have been moved from the Incentive section into a new section entitled Tenancy Fit-outs.

The fields within this section must be completed for all tenancies and while not marked as mandatory within the AGPR system, they will be reviewed in the Data Validation phase and validation issues will be raised where this data is not supplied

#### Tenancy Highest Security Rating – limits on use of Unknown

In 2022 changes have been made to the Data Validation process to require entities using the Unknown option for the Tenancy Highest Security Rating field to provide additional information to confirm this is an appropriate value.

#### Changes to treatment of car-parks

Previously, Entities were requested to report rent inclusive of any car-parking included in the lease. In 2022, this requirement has been changed and Entities must not include the costs of car parking in their actual or annual rent. Similarly, any areas related to car parking must not be reported in the net lettable area or non-office areas.

Tenancies with car-parking included in the lease will need to be reviewed and costs and area values adjusted; in the case of rent this can be on a pro-rata basis or actual if a specific amount is paid for car-parking.