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CAUTION ADVISED ON CONSTRUCTION OF NEW PUBLIC SERVICE OFFICE BUILDING

The pros and cons of construction a new \$432 million office building must be carefully assessed through consultation with stakeholders, according to the Canberra Business Council.

“This is a significant funding commitment that was announced in Tuesday’s Budget,” Canberra Business Council CEO, Chris Faulks said, “and the community has expressed mixed reactions to this decision.

“There are some very clear advantages to establishing an office that can bring together our public servants under one roof. In particular, it will help improve efficiency and reduce duplication – both aims of the recent Hawke Review and changes to the ACT public sector.

“If we continue to have public servants that have inter-related roles dispersed around the city, silos will continue to hinder their effectiveness and efficiency.

“The new building will help consolidate the workforce and improve cohesion.

“In addition, a number of the buildings that currently house public servants are of poor quality and do not meet the Government’s environmental requirements.

“Chief Minister Jon Stanhope said today he expects the new building to provide operational savings of \$19.3 million a year and result in the Government owning an asset worth more than its upfront investment.

“However, the ACT is currently experiencing relatively high office vacancy rates and this project will obviously add additional space.

“Construction of the office building is not due to begin until 2013 and it is not expected to be operational until 2017.

“By 2017 supply could once again be tight, but more importantly this provides the Government with time to consult with the Council and relative industry bodies such as the Property Council and Master Builders Association to make sure issues such as ownership and funding models are resolved and this project is a success.”

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