



Australian Government
Department of Finance

2023 Australian Government Office Occupancy Report

**Whole of Australian Government
Property**



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Purpose

The 2023 Australian Government Office Occupancy Report (the Report) provides insights into tenancies with at least 500m² of usable office area leased or owned by non-corporate Commonwealth entities (NCEs) as of 30 June 2023. The report, based on the annual Australian Government office data collection, uses occupational density as a key efficiency metric. This metric, calculated as usable office area divided by occupied work-points, is used for space planning and determining occupational density and work-point vacancy rate. The Department of Finance is reviewing current metrics in light of leasing trends and hybrid work settings.

The Office Occupancy Report does not report on actual office utilisation i.e. attendance or work force patterns as the Department of Finance does not collect data from entities on office attendance (given data availability, resourcing and compliance constraints for entities, and potential privacy issues).

The Commonwealth's property framework aims to improve portfolio management efficiency. Non-corporate Commonwealth entities are advised to consider the occupational density target in planning, lease negotiations, refurbishment projects, and throughout the property management lifecycle.

When considering the findings of this report an entity should consider how their workforce management strategies and sustainability initiatives, including work-from-home arrangements and the efficiency of a smaller office footprint, can inform opportunities for improvement in the management of individual property portfolios. This approach enables proactive management of specific property portfolios and assesses future workforce requirements to inform accommodation decisions that align with both current and future workforce needs.

1. Summary

In 2023, the national occupational density went below the 14m² target by 0.6m² and has reached **13.4m²** across all entities with at least 500m² of useable office space. This compares to the 14.8m² in 2022. This is the first time the national occupational density met the Occupational Density Target since the target was introduced in 2013.

Overall, 316 or 48.7 per cent of tenancies are now meeting the occupational density target, which is an increase of 4.3 percentage points from 2022.

The occupational density target sets a standard for office space requirements, to guide lease negotiations and refurbishment projects.

Property management is decentralised under the Commonwealth Property Management Framework, with each entity responsible for its own leases.



78
Entities

2,971,038 m²
Controlled Area

649
Tenancies >500m²

2,341,034 m²
Usable Office Area

1. Summary

In 2023, the overall property footprint for NCEs decreased while the number of staff increased, and most key metrics show that the properties are being used more effectively and efficiently.



The data is showing the impact of hybrid (shared work-points) work, with an increase in the number of entities and tenancies reporting more staff than work-points.

Overall:

- work-point vacancy rate¹ decreased from 7.8 per cent in 2022 to 1.8 per cent in 2023
- controlled area expenditure slightly increased from \$510/m² in 2022 to \$511/m² in 2023
- cost per work-point decreased from \$8,718 in 2022 to \$8,547 in 2023².

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

1. It is important to note the work-point vacancy rate does not factor in either the number of staff allocated to a work-point or the utilisation of the work-point.
2. Cost per work-point is the net tenancy expenditure divided by the number of work-points.

2. Properties Meeting the Occupational Density Target

PROPERTY USE IS EFFECTIVE

In 2023, the percentage of tenancies meeting the occupational density target increased by 4.3¹ percentage points from 44.3 per cent in 2022 to 48.7 per cent.

The 316 tenancies that met the national occupational density target account for 51 per cent of the total usable office area in 2023. These tenancies accommodate 66 per cent of total staff. The aggregated occupational density for these tenancies is 10.4m², which is well below the 14m² target.

This improvement is primarily attributed to the decrease in work-point vacancy (more work-points occupied by one (or more) staff). The continued incremental transition of older tenancy leases to new leases is expected to sustain this trend and further enhance fit-out and occupational densities.

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
	2022	2023	
Aggregated occupational density	11.3m ²	10.4m ²	-0.9m ²
% of Tenancies meeting Target	44.3%	48.7%	+4.3%
% Usable office area	42.8%	50.8%	+8.0%
% of Staff in tenancies meeting Target	56.2%	65.5%	+9.3%

3. Key Metric Trends 2013-2023

COMMONWEALTH PROPERTY EFFICIENCY TRENDS

In 2023, there was an improvement in efficient property use with more tenancies meeting the Occupational Density Target. This trend has been consistent over the past decade. Strong property planning, supported by the Strategic Property Adviser and the Property Service Providers, supports the ongoing improvements in property efficiency.

Chart 3a. National Occupational Density

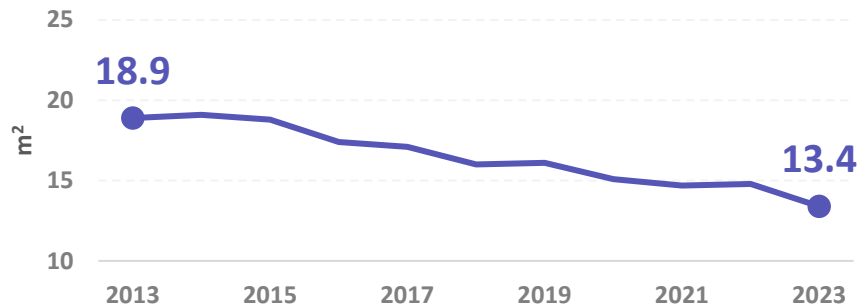


Chart 3b. Proportion of tenancies meeting the Occupational Density Target

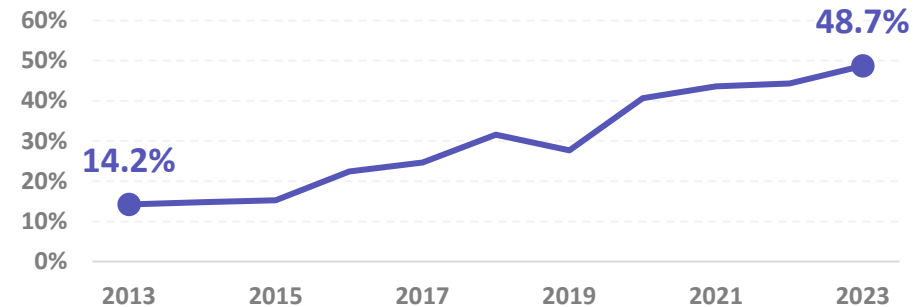


Chart 3c. National Fit-out Density

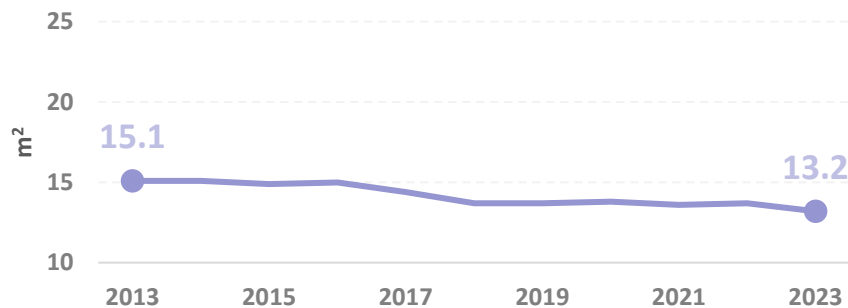
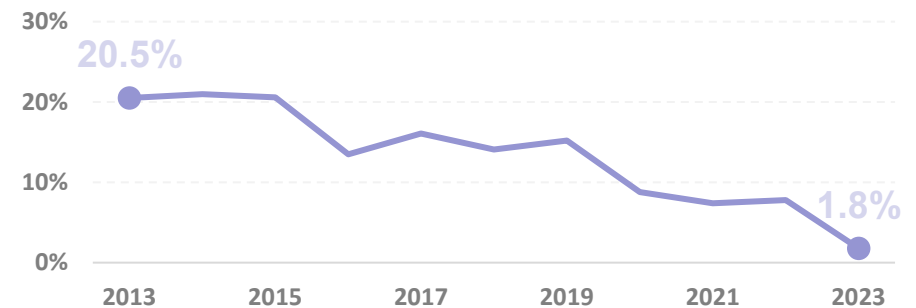


Chart 3d. National Work-point Vacancy Rate



4. Work-points and Staff

STAFF

There were 174,616 staff allocated to leases reported in the 2023 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 11,362 staff in 2023 compared to 2022.

Chart 4a. Reported Staff Numbers, 2020-2023



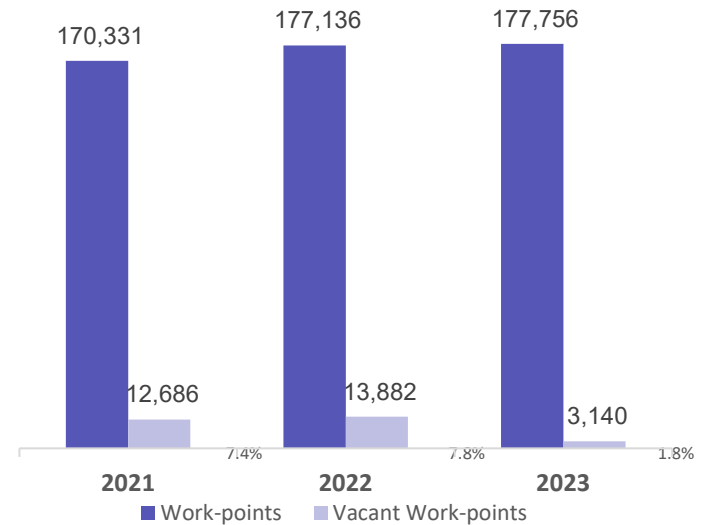
WORK-POINT VACANCY RATE

In 2023, the number of reported work-points increased by 620.

The relatively small increase in work-points, compared to the increase in staff, resulted in a major decrease in the work-point vacancy rate from 7.8 per cent to 1.8 per cent.

The overall improvement in both work-point vacancy and occupational density in 2023 indicates a shift in how entities plan and use existing office space more efficiently.

Chart 4b. Reported Work-points and Vacant Work-points, 2020-2023



1. Staff numbers (including contractors) is a count of individual staff allocated to the lease. A full definition is found in Appendix B: Glossary of Terms and Concepts.

5. Hybrid Work Environments

HYBRID WORK ENVIRONMENTS

For the second year in a row, the 2023 Australian Government office data collection gathered information on any lease that recorded more staff allocated to lease than work-points.

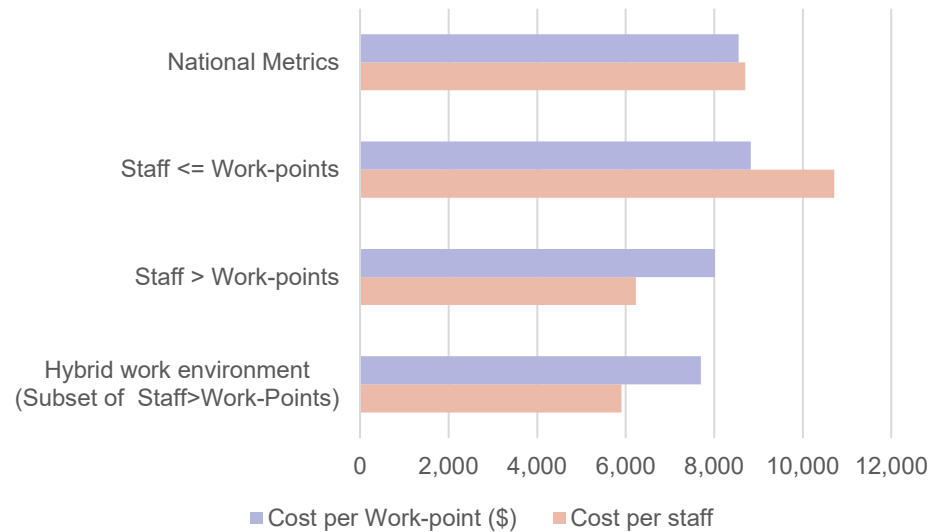
The number of entities recording the staff allocated to the lease as greater than the number of work-points increased from 32 entities in 2022 to 43 entities in 2023.

In 2023, 208 of the 649 tenancies, with at least 500m² of usable office area, recorded more staff allocated to lease than work-points. Of these, 154 tenancies (74 per cent) provided the reason for this to be shared work-points i.e. hybrid work environment, which included flexible work arrangements, activity-based working or shift work. This marks a significant increase from the 111 tenancies from 2022.

This shows the gradual progress in making Commonwealth-managed properties more efficient and how entities consider workforce strategies to implement their preferred property solution.

The data from these 154 tenancies indicates the ratio of work-points to staff allocated to lease is moving from the traditional 1:1 to an 8:10¹ ratio e.g., 8 work-points to 10 staff members.

Chart 5. Cost efficiencies in Tenancies with Hybrid work environments



1. The 8:10 ratio is based on 2023 data for leases where it is known that there are more Staff Allocated to Lease than Work-Points and the reason given is 'Shared Work-points' and assume all work-points are utilised.

6. Towards Net Zero

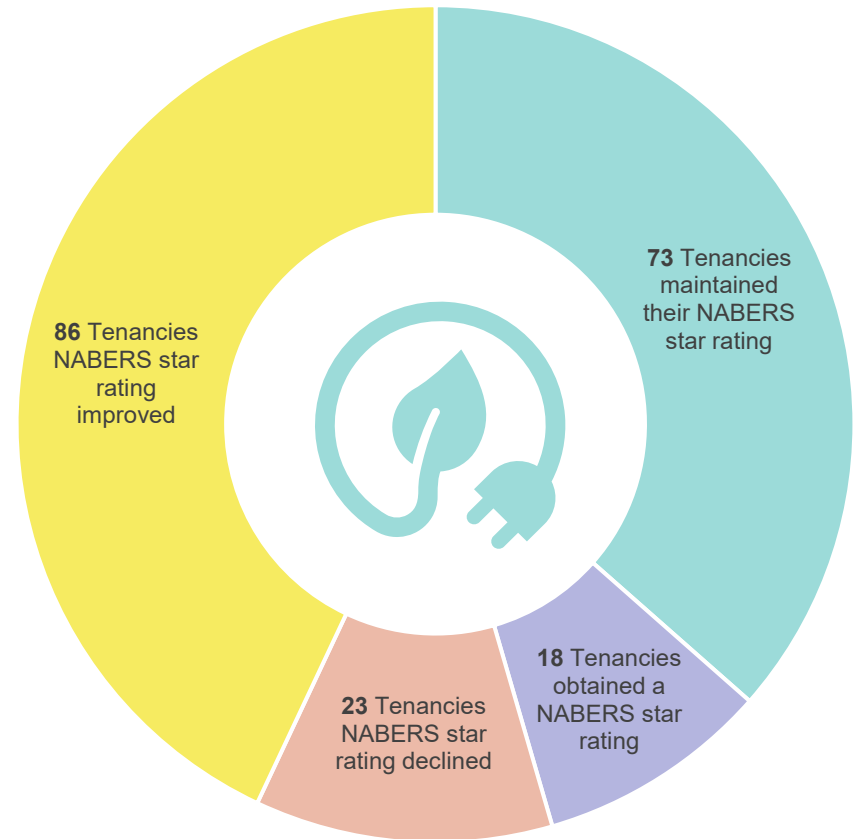
REACHING FOR STARS

Entities are responsible for improving energy efficiency and reducing emissions. Property is the primary contributor to electricity and natural gas consumption and associated emissions. The most feasible and cost-effective method to decrease these emissions is through enhanced energy efficiency and electrification.

The Net Zero in Government Operations Strategy focuses on improving the energy efficiency of office space in Commonwealth-owned and leased buildings. The Energy rating tool by National Australian Built Environment Rating System (NABERS) is an accepted industry standard, which will be used to measure the comparative energy efficiency performance of buildings. While the Strategy threshold for NABERS assessments is 1000m², some entities have proactively completed NABERS assessments for a portion of their tenancies with at least 500m² of usable office area.

In 2023, 200 of the 649 tenancies with at least 500m² of usable office area have provided a NABERS rating. Of these, 88 tenancies met the Net Zero in Government Operations Strategy targets. The 88 tenancies account for 20.3 per cent of the total usable office area.

Chart 6. Tenancies with National Australian Built Environment Rating System (NABERS) Star Ratings



1. If a previous rating has expired and no new assessment is currently being undertaken, before 30 June 2023 entities were required to select 'No Assessment Undertaken'.

NOTE: In 2023, the NABERS Rating fields in each of Buildings, Leases and Subleases has been made mandatory to help ensure the required data is reported. 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.

7. Tenancies by Remoteness Classification

REMOTENESS CLASSIFICATION

539 tenancies

77 out of 78 entities have tenancies in this classification.

Major Cities

Accounts for:

- 83.1% of tenancies
- 92.6% of total controlled area.

Of which:

- 15% meet the NABERS rating target of 5.5+ stars¹
- 27% are recording shared (hybrid) work-points



10 tenancies

4 out of 78 entities have tenancies in this classification.

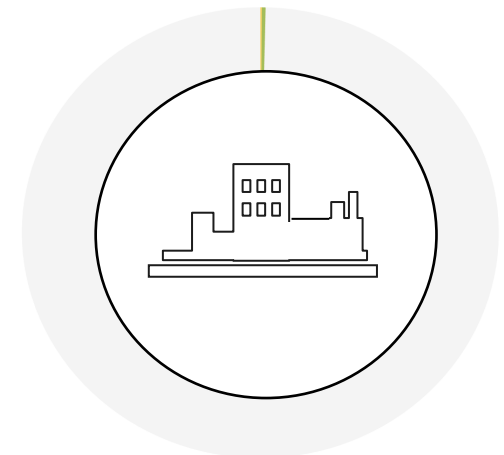
Remote and Very Remote

Accounts for:

- 1.5% of tenancies
- 0.3% of total controlled area.

Of which:

- 0% meet the NABERS rating target of 4.5+ stars
- 0% are recording shared (hybrid) work-points



100 tenancies

22 out of 78 entities have tenancies in this classification.

Inner and Outer Regional

Accounts for:

- 15.4% of tenancies
- 7.1% of total controlled area.

Of which:

- 8% meet the NABERS rating target of 4.5+ stars
- 10% are recording shared (hybrid) work-points

1. Major cities Net Zero in Government Operations Strategy target (NABERS rating) is 5.5 star or higher, outside of major cities the Net Zero Strategy target (NABERS rating) is 4.5 star or higher.

NOTE: the NABERS star ratings and the shared (hybrid) work-points are expressed as a proportion of all tenancies in each remoteness classification, not just the tenancies that recorded a NABERS star rating or more staff allocated to lease than work-points.

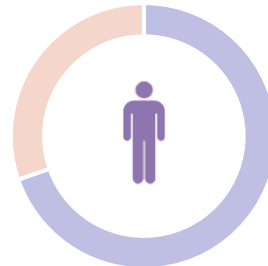
8. 10 Largest Entities by Controlled Area

THE 10 LARGEST ENTITIES ACCOUNT FOR:

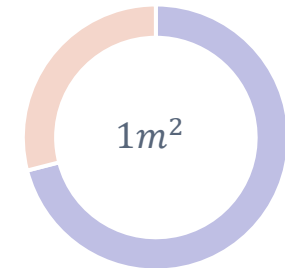
59.6% of Tenancies ▼



69.7% of Staff ▼



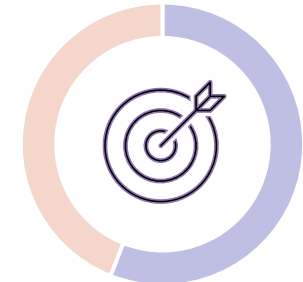
71.0% of Controlled Area ▼



70.6% of Work-points ▼



56.0% of Tenancies meeting Occupational Density Target ▼



50.0% of Tenancies meeting NABERS Rating Target ▲

9. Cost Indicators

EXPENDITURE EFFECTS

Net tenancy expenditure throughout the report is based on controlled area. In 2023, the controlled area decreased by 56,201m², which had a positive impact on the national occupational density that is 0.6m² below the 14m² target.

The \$25 million decrease in net tenancy expenditure in 2023 is primarily attributed to entities reducing the footprint of existing tenancies through consolidation or downsizing.

The national average cost per staff decreased by \$758.6 per staff to \$8,700 in 2023. The cost per staff was lowest in Tasmania at \$6,657 and highest in the Northern Territory at \$13,917¹.

Tasmania also recorded the lowest cost per work-point at \$5,819. New South Wales recorded the highest cost per work-point at \$10,701.

The cost of the Commonwealth's property portfolio is driven by the Commonwealth selecting property to meet its operational requirements.

Chart 10a. Net Tenancy Expenditure, 2021-2023



Chart 10b. National Average Costs per m², per Staff, per Work-point



1. No tenancies in the Northern Territory (that are in scope for the occupancy report) are meeting the occupational density target.

10. Property Operating Expenses

18.1 % DECREASE IN EXPENSES

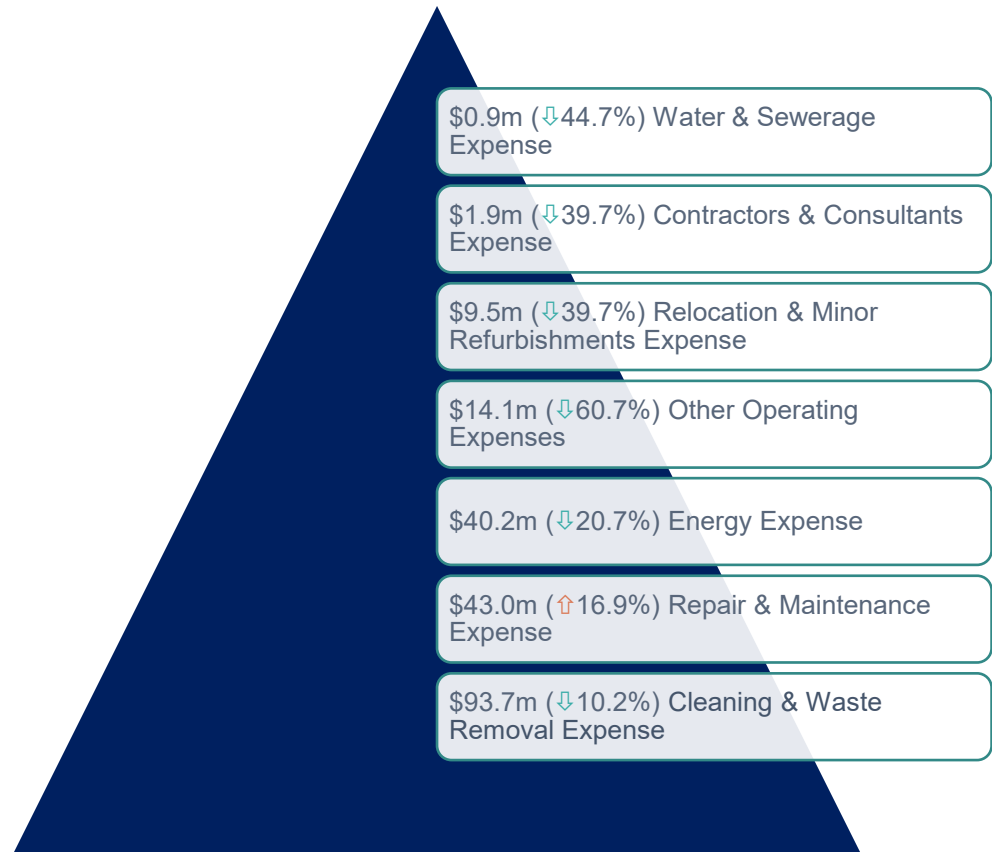
In addition to net tenancy expenses, entities must also cover charges related to the operations of each property. In 2023, the total property operating expenses for the 649 tenancies was \$203.3 million. This is a decrease of 18.1 per cent from 2022.

Property Operating Expenses are allocated to entities on a pro-rata basis, determined by the net lettable area within the building under each entity's responsibility.

The majority of Property Operating Expenses significantly decreased in 2023. The only increase identified in the data set is attributed to Repair & Maintenance Expenses. In 2023, this cost increased 16.9 per cent (\$6.2 million).

The reduction in property operating expenses across the 2022 to 2023 period can, in part, be attributed to improved efficiency in the management of properties through Property Service Providers. This adds a further dimension to how the Commonwealth is achieving effective usage of leased and owned office accommodation.

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



11. Leases by Classification Non-Office Areas

LEASED TENANCIES WITH NON-OFFICE AREAS

Non-office area is area within the controlled area of the property that is not used or cannot be used to undertake office work.

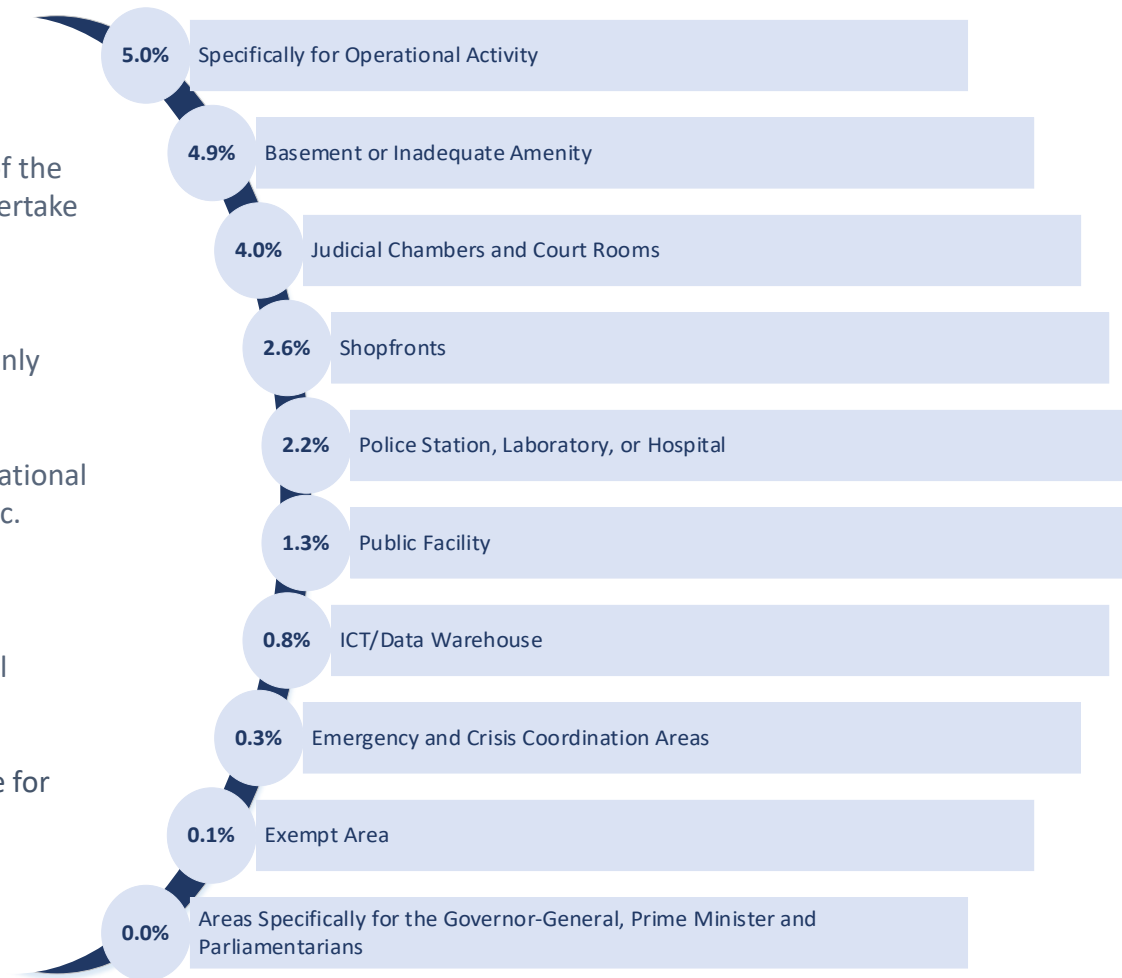
This report focuses on office area utilisation within tenancies, noting that not all tenancies are office-only environments.

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 compared to office-only tenancies.

These non-office areas represent 21.2% of the total controlled area for all tenancies.

There are 10 categories of non-office area available for entities to report¹.

Chart 13. The 10 categories of non-office area as percentages of controlled area



1. Descriptions of what areas can be included in each of the non-office areas is detailed in Appendix B: Glossary of Terms and Concepts.
NOTE: percentages provided on this page are calculated as proportions of controlled area.

12. Tenancies with less than 500m² UOA

INSIGHTS INTO SMALL TENANCIES

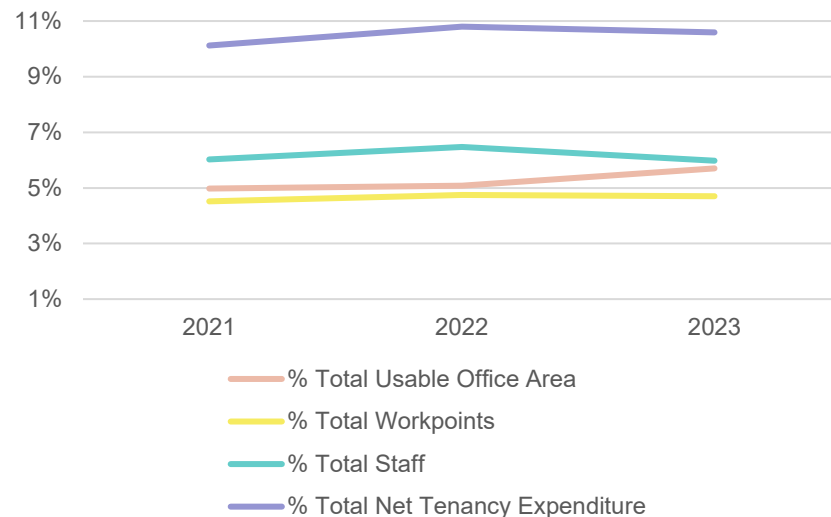
The 2023 Australian Government Office Collection also provides an insight into tenancies with less than 500m² of usable office area (UOA) that were leased or owned by Non-corporate Commonwealth Entities (NCE) as at 30 June 2023.

In response to entities' requests, this year is the first time the additional number have been included in the report as all entities must consider the occupational density target regardless of the size of the office space.

In 2023 a total of 1,373 tenancies were in scope for the Office Collection, with 724 tenancies having less than 500m² of UOA. The 724 tenancies account for 6 per cent of the total UOA used across all tenancies.

The inclusion of smaller tenancies (those with less than 500m²) ensures comprehensive data representation in the report, enabling stakeholders to make well-informed decisions based on all available information.

Chart 12. Key trends of tenancies with less than 500m²



Australian Government Property Register (AGPR)

Office Data Summary for Tenancies
with at least 500m² of usable office area

REPORT DATA SUMMARY

Greater than 500m²

The report highlights ongoing efficiencies in the use of the Commonwealth's property portfolio with at least 500m² of usable office area. In particular:

- the percentage of tenancies meeting the occupational density target increased from 44.3 per cent in 2022 to 48.7 per cent in 2023.
- the national fit-out density of tenancies has decreased from 15.1m² in 2013 to 13.2 m² in 2023.
- work-point vacancy decreased from 20.5 per cent in 2013 to 1.8 per cent in 2023.
- entities reported a decrease in work-point vacancy rates, from 7.8 per cent in 2022 to 1.8 per cent in 2023.
- the number of work-points increased by 0.4 per cent in 2023, however the cost per work-point decreased by \$171 per work-point.

The report also shows a decrease in tenancy expenditure from 2022 to 2023, in particular:

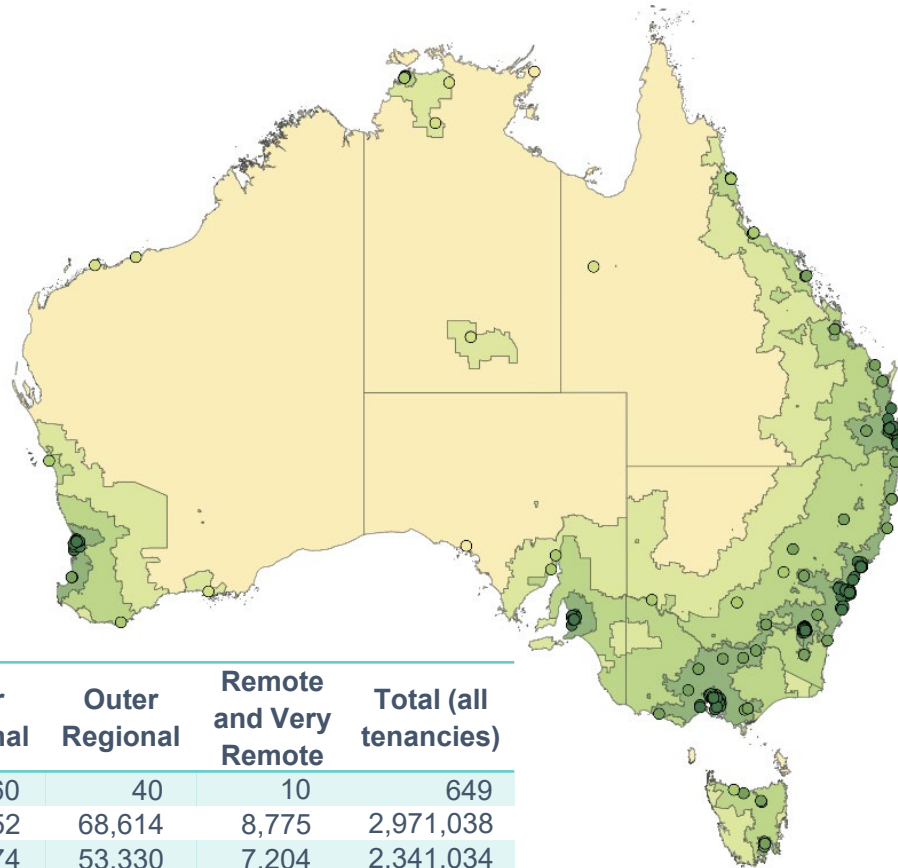
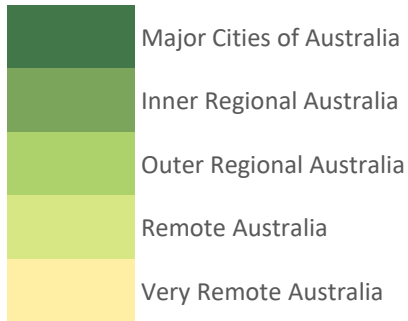
- net tenancy expenditure decreased from \$1,544.2 million in 2022 to \$1,519.2 million in 2023.
- controlled area expenditure increased from \$510/m² in 2022 to \$511/m² in 2023.
- cost per work-point decreased from \$8,718 in 2022 to \$8,574 in 2023.

Key Metrics

Measure	2021	2022	2023
Tenancies (n)	617	645	649
Controlled Area (m²)	2,922,664	3,027,239	2,971,038
Change in footprint (Controlled Area) (%)	0.8	3.6	-1.9
Usable Office Area (m²)	2,314,718	2,422,416	2,341,034
Work-points (n)	170,331	177,136	177,756
Staff (n)	157,645	163,254	174,616
Vacant Work-points (n)	12,686	13,882	3,140
Work-point Vacancy Rate (%)	7.4	7.8	1.8
National Fit-Out Density (m²)	13.6	13.7	13.2
National Occupational Density (m²)	14.7	14.8	13.4
Tenancies meeting Occupational Density Target (%)	43.6	44.3	48.7
Net Tenancy Expenditure (\$m)	1,449.9	1,544.2	1,519.2
Cost per Controlled Area (\$)	496	510	511
Cost per Staff (\$)	9,197	9,459	8,700
Cost per Work-Point (\$)	8,512	8,718	8,547

APPENDIX A. Office Data Summary

Tenancies by Remoteness Classification



	Major Cities	Inner Regional	Outer Regional	Remote and Very Remote	Total (all tenancies)
Number of Tenancies (n)	539	60	40	10	649
Controlled area (m²)	2,751,397	142,252	68,614	8,775	2,971,038
Usable Office Area (m²)	2,166,526	113,974	53,330	7,204	2,341,034
Work-points (n)	164,345	9,458	3,689	264	177,756
Staff (n)	163,004	8,241	3,217	154	174,616
Vacant Work-points (n)	1,341	1,217	472	110	3,140
Work-point Vacancy Rate (%)	0.8	12.9	12.8	41.7	1.8
Fit-out Density (m²)	13.2	12.1	14.5	27.3	13.2
Occupational Density (m²)	13.3	13.8	16.6	46.8	13.4
Tenancies Meeting the ODT (%)	52.7	40.0	20.0	0.0	48.7
Net Tenancy Expenditure (\$m)	1,429.4	57.2	29.7	2.9	1,519.2
Cost per m² (\$)	520	402	432	334	511
Cost per Staff (\$)	8,769	6,946	9,224	19,055	8,700
Cost per Work-point (\$)	8,697	6,052	8,044	11,116	8,547

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

APPENDIX A. Office Data Summary

Occupational Density Metrics¹

	% Tenancies	Occupational Density (m²)	% Usable Office Area	% Staff
0-14m²	48.7	10.40	50.8	65.5
>14m² - 18m²	21.3	15.72	27.8	23.7
>18m² - 28m²	17.9	20.39	14.3	9.4
>28m²	10.5	58.00	6.0	1.4

Property Operating Expenses

	2021	2022	2023
Total Property Operating Expenses (\$m)	207.0	248.2	203.3
Per m² (\$)	70.82	81.99	68.42
Per Staff (\$)	1,313	1,520	1,164

1. Tenancies without a valid occupational density figure have been excluded from this table. This occurs when a tenancy is recorded as having no staff.

APPENDIX A. Office Data Summary

Tenancies by Lease Expiry

Measure	Holdover ¹	0-2 Years	2-5 Years	5-10 Years	10-20 Years	20+ Years	Owned ²
Number of Tenancies (n)	26	233	235	124	21	10	34
Number of Owned Tenancies (inclusive) (n)	9	3	10	3	1	8	34
Controlled Area (m²)	190,983	703,656	941,282	631,630	355,889	147,598	401,620
Usable Office Area (m²)	39,837	594,286	808,771	510,522	297,771	89,847	209,219
Work-points (n)	2,563	47,057	58,671	39,479	23,819	6,167	13,657
Staff (n)	2,328	42,629	60,752	38,991	22,491	7,425	15,005
Vacant Work-points (n)	235	4,428	-2,081	488	1,328	-1,258	-1,348
Work-point Vacancy Rate (%)	9.2	9.4	-3.5	1.2	5.6	-20.4	-9.9
Fit-out Density (m²)	15.5	12.6	13.8	12.9	12.5	14.6	15.3
Occupational Density (m²)	17.1	13.9	13.3	13.1	13.2	12.1	13.9
Meeting the Occupational Density Target (%)	42.3	47.2	46.8	54.8	52.4	60.0	52.9
Net Tenancy Expenditure (\$m)	26.8	408.9	508.8	377.9	187.0	9.8	45.4
Cost per m² (\$)	140	581	541	598	525	67	113
Cost per Staff (\$)	11,504	9,593	8,375	9,691	8,313	1,326	3,026
Cost per Work-point (\$)	10,449	8,690	8,672	9,571	7,850	1,596	3,325

1. Holdover: The lease has expired but is continuing on a month-to-month basis without new terms being agreed.

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

NOTE: A) 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.

B) A minus identifies that there are more staff than work-points

APPENDIX A. Office Data Summary

10 Largest Entities by Controlled Area

Entity	Controlled Area (m ²)	Tenancies (n)	Usable Office Area (m ²)	Occupational Density (m ²)	Proportion of Total Controlled Area (%)
Services Australia	505,230	162	400,817	13.1	17.0
Australian Taxation Office	324,747	24	303,250	14.0	10.9
Department of Home Affairs	296,227	40	250,512	20.3	10.0
Department of Defence	291,283	50	280,627	9.9	9.8
Australian Federal Police	183,789	24	87,952	13.1	6.2
Federal Court of Australia	161,771	10	14,392	10.6	5.4
Department of Employment and Workplace Relations	98,145	30	97,457	16.1	3.3
Department of Health and Aged Care	89,019	13	75,881	11.8	3.0
Department of Industry, Science and Resources	79,878	18	49,797	13.4	2.7
Department of Foreign Affairs and Trade	78,360	16	63,278	13.6	2.6
Subtotal of Top 10 Entities	2,108,450	387	1,623,963	13.4	71.0
Total (all entities)	2,971,038	649	2,341,034	13.4	100.0
Top 10 Entities as proportion of total (%)	71.0	59.6	69.4	--	--

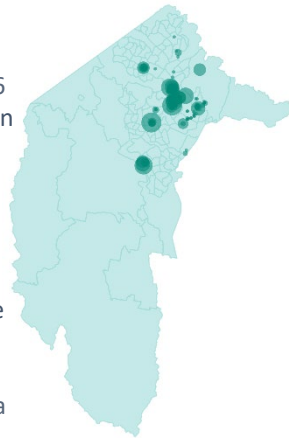
APPENDIX A. Office Data Summary

Australian Capital Territory

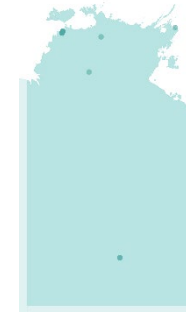
In 2023, the ACT retains the largest number of Commonwealth leased properties. However, the number of leased properties has decreased by 6 tenancies since 2022. The decrease in tenancies and an increase in staff over the 12-month period has had a positive impact on work-point vacancy rates.

Commonwealth tenancies within the ACT accounted for:

- 25.1% of all tenancies
- 44.6% of the total controlled area
- 49.3% of total allocated staff
- 48.1% of total work-points

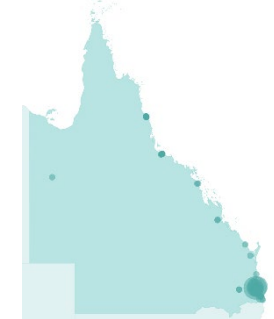


Tenancies: 163 / 25.1%
 Controlled Area (m²): 1,325,609
 Usable Office Area (m²): 1,125,777
 Work-points: 85,429
 Staff: 86,105
 Work-point Vacancy Rate: -0.8%
 Fit-Out Density (m²): 13.2
 Occupational Density (m²): 13.1
 Tenancies Meeting OD Target: 44.2%
 Net Tenancy Expenditure: \$670.8m
 Cost per Controlled Area: \$506
 Cost per Staff: \$7,790
 Cost per Work-point: \$7,852



NORTHERN TERRITORY¹

Tenancies: 22 / 3.4%
 Controlled Area (m²): 29,134
 Usable Office Area (m²): 23,434
 Work-points: 1,351
 Staff: 961
 Work-point Vacancy Rate: 28.9%
 Fit-Out Density (m²): 17.3
 Occupational Density (m²): 24.4
 Tenancies Meeting OD Target: 0.0%
 Net Tenancy Expenditure: \$13.4m
 Cost per Controlled Area: \$459
 Cost per Staff: \$13,917
 Cost per Work-point: \$9,900



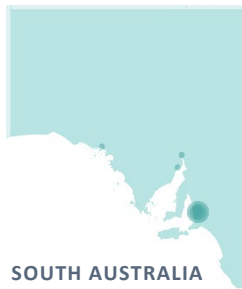
QUEENSLAND

Tenancies: 97 / 14.9%
 Controlled Area (m²): 319,429
 Usable Office Area (m²): 239,634
 Work-points: 17,969
 Staff: 18,440
 Work-point Vacancy Rate: -2.6%
 Fit-Out Density (m²): 13.3
 Occupational Density (m²): 13.0
 Tenancies Meeting OD Target: 56.7%
 Net Tenancy Expenditure: \$162.4m
 Cost per Controlled Area: \$508
 Cost per Staff: \$8,805
 Cost per Work-point: \$9,035



WESTERN AUSTRALIA

Tenancies: 48 / 7.4%
 Controlled Area (m²): 149,931
 Usable Office Area (m²): 101,208
 Work-points: 7,456
 Staff: 6,456
 Work-point Vacancy Rate: 13.4%
 Fit-Out Density (m²): 13.6
 Occupational Density (m²): 15.7
 Tenancies Meeting OD Target: 37.5%
 Net Tenancy Expenditure: \$55m
 Cost per Controlled Area: \$367
 Cost per Staff: \$8,517
 Cost per Work-point: \$7,374



SOUTH AUSTRALIA

Tenancies: 52 / 8.0%
 Controlled Area (m²): 158,230
 Usable Office Area (m²): 119,874
 Work-points: 9,449
 Staff: 9,154
 Work-point Vacancy Rate: 3.1%
 Fit-Out Density (m²): 12.7
 Occupational Density (m²): 13.1
 Tenancies Meeting OD Target: 61.5%
 Net Tenancy Expenditure: \$75.6m
 Cost per Controlled Area: \$478
 Cost per Staff: \$8,264
 Cost per Work-point: \$8,006



VICTORIA

Tenancies: 110 / 16.9%
 Controlled Area (m²): 449,980
 Usable Office Area (m²): 346,214
 Work-points: 26,267
 Staff: 25,553
 Work-point Vacancy Rate: 2.7%
 Fit-Out Density (m²): 13.2
 Occupational Density (m²): 13.5
 Tenancies Meeting OD Target: 53.6%
 Net Tenancy Expenditure: \$241.4m
 Cost per Controlled Area: \$536
 Cost per Staff: \$9,446
 Cost per Work-point: \$9,190



TASMANIA

Tenancies: 23 / 3.5%
 Controlled Area (m²): 61,677
 Usable Office Area (m²): 50,506
 Work-points: 3,803
 Staff: 3,324
 Work-point Vacancy Rate: 12.6%
 Fit-Out Density (m²): 13.3
 Occupational Density (m²): 15.2
 Tenancies Meeting OD Target: 47.8%
 Net Tenancy Expenditure: \$22.1m
 Cost per Controlled Area: \$359
 Cost per Staff: \$6,657
 Cost per Work-point: \$5,819



NEW SOUTH WALES

Tenancies: 134 / 20.6%
 Controlled Area (m²): 477,047
 Usable Office Area (m²): 334,386
 Work-points: 26,032
 Staff: 24,623
 Work-point Vacancy Rate: 5.4%
 Fit-Out Density (m²): 12.8
 Occupational Density (m²): 13.6
 Tenancies Meeting OD Target: 51.5%
 Net Tenancy Expenditure: \$278.6m
 Cost per Controlled Area: \$584
 Cost per Staff: \$11,314
 Cost per Work-point: \$10,701

1. 1No tenancies in the Northern Territory (that are in scope for the occupancy report) are meeting the occupational density target).

Australian Government Property Register (AGPR)

Office Data Summary for Tenancies
with less than 500m² of usable office
area

REPORT SUMMARY

Less than 500m²

The occupational density¹ of the 724 tenancies is 12.7m², slightly lower than tenancies with more than 500m², which is 13.4m². Staff allocated to a lease are not restricted to working solely in the usable office area² (UOA); for example, shopfronts and warehouses may have small office areas utilised by all staff but larger non-office spaces, impacting the occupational density measure.

Out of the 724 tenancies, 402 have a fit-out density greater than 14m². This may be due to the limited leasing options available to entities in rural or remote areas, where most of these tenancies are located. For example, a remote town may only have one or two suitable tenancies to meet the entities operational needs.

The number of entities with tenancies recording more staff allocated to lease greater than work-points changed from 26 entities in 2022 to 34 entities in 2023. Of the 314 tenancies that recorded more staff allocated to lease than work-points, 119 tenancies (37.9 per cent) provided the reason for this to be a shared work-points (i.e., hybrid work environment, which included flexible work arrangements, activity-based working, or shift work).

Key Metrics

Measure	2021	2022	2023
Tenancies (n)	709	757	724
Controlled Area (m²)	377,752	394,234	380,998
Usable Office Area (m²)	121,299	129,800	141,456
Work-points (n)	8,054	8,830	8,767
Staff (n)	10,104	11,293	11,113
Vacant Work-points (n)	-2,050	-2,463	-2,346
Work-point Vacancy Rate (%)	-25.5	-27.9	-26.8
National Fit-Out Density (m²)	15.1	14.7	16.1
National Occupational Density (m²)	12.0	11.5	12.7
Tenancies meeting Occupational Density Target (%)	54.3	57.9	57.6
Net Tenancy Expenditure (\$m)	163.2	186.9	180.0
Cost per Controlled Area (\$)	432	474	473
Cost per Staff (\$)	16,153	16,554	16,200
Cost per Work-Point (\$)	20,265	21,172	20,535

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 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, 14m² 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 (m²) 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 (where occupied work-points is equivalent to the number of staff allocated to a lease). The national occupational density is calculated by dividing the aggregate usable office area for all tenancies by the aggregate number of occupied work-points.

The Government has set an occupational density target of 14m² 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 (Hybrid) 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.
- Areas specifically for the Governor-General, Prime Minister and Parliamentarians.
- 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.
- Areas Specifically for Governor-General, Prime Minister and Parliamentarians.
- 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 500m² of usable office area; and
- Current leases as at 30 June 2023.

78 entities are included in this report.

As with the 2019 and subsequent Office Occupancy Reports, 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 Office Occupancy 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 2023 office data collection

NABERS ratings are now mandatory.

The Net Zero in Government Operations Strategy (Strategy) describes the approach for implementing the Australian Government's commitment to achieve net zero in government operations by 2030. The Strategy was launched on 28 November 2023.

The Strategy targets for NABERS commence in July 2025 for new leases and July 2026 for refurbishments.

A tenancy meets the NABERS Rating Target under the Strategy if either of the following are true:

- It has a Remoteness Classification that is "Major Cities of Australia" and has a Lease NABERS Rating of 5.5 stars or above.
- It has a Remoteness Classification that is not "Major Cities of Australia" and has a Lease NABERS Rating of 4.5 stars or above.

The 2023 calculation has been updated to reflect this new logic.

The 2022 Office Occupancy Report, published prior to finalisation of the Strategy, reported on the basis of a Lease NABERS Rating of 5.5 stars or above.

Due to the change in calculation logic, the 2023 figures related to NABERS Rating Target are no longer comparable to their 2022 counterparts.