

5.21.8

Business case 8: Future workplace program

Content

1	SUMMARY.....	3
2	CONTEXT.....	4
3	PROJECT NEED.....	5
3.1	Building quality.....	5
3.2	Workforce.....	5
3.3	Inventory and storage.....	5
4	OPTIONS AND ASSESSMENT.....	6
4.1	Assessment process.....	6
4.2	Identifying options to address need.....	6
4.3	Assessment of options.....	7
4.4	Summary of findings.....	7
5	DELIVERY MODEL.....	8

1 SUMMARY

Ausgrid is proposing to invest \$7.5 million (real FY19) on the future workplace program associated with the miscellaneous offices/depots future workplace minor capital expenditure program of works.

In the case of the future workplace program the only options were to do nothing or allocate funding to such a program. The level of expenditure was based on the historic trend of this type of program.

The preferred option is to provide capital provision for the future workplace program (Option 2). This program will be used to modernise and undertake minor refurbishment of accommodation during the 2019-24 regulatory period. This is a prudent measure to ensure accommodation continue to provide workplaces that provide health and well-being and encourage greater staff interaction.

The key benefits of this are summarised in Table 1 below.

Table 1. Summary of benefits of preferred option

Benefits	Description
Support	Provides a workplace that supports physical and mental health and wellbeing. Provides a workplace that supports our ability to encourage interaction. Maintains staff morale and well-being to have safe and well-maintained buildings. Demonstrates respect for our people by empowering them to choose the most efficient way to do their work.
Functionality	Provides a workplace that allows greater accessibility to our customers and stakeholders. Provides a workplace that offers the spaces to do our work in the most efficient manner possible.
Cost effective	Supports our business objectives by looking to long term cost reduction.

Many of the works in the future workplace program will be contracted to external contractors and will undergo a market tender process to ensure the best value for money.

2 CONTEXT

Ausgrid has five offices and 28 depots providing accommodation for our operators and storage for equipment. Of these, five depots and Wallsend Office have been separately identified in individual business cases for major capital expenditure in the 2019-24 regulatory period.

As Ausgrid transforms to improve delivery through greater efficiency and effectiveness of our people and processes, the physical workplace can contribute to becoming an employer of choice and to the well-being of staff.

By providing flexibility for our people in the ways that they work, the future workplace strategy will be progressed throughout the five-year regulatory period and will necessitate the expenditure of capital funds.

While actual sub-projects under the future workplace program are yet to be established, it is considered prudent to set aside sufficient funds to cater for the minor capital works associated with the other projects in the non-network property portfolio.

The capital provision for the future workplace program (Option 2) provides funds to modernise and undertake minor refurbishment of accommodation during the 2019-24 regulatory period. This is a prudent measure to ensure offices and depots continue to provide workplaces that provide health and well-being and encourage greater staff interaction.

Many of the works the proposed program will be outsourced to external contractors and will undergo a market tender process to ensure the best value for money. The level of expenditure was based on the historic trend of this type of program.

3 PROJECT NEED

3.1 Building quality

As Ausgrid transforms to improve delivery through greater efficiency and effectiveness of our people and processes, the physical workplace can contribute to becoming an employer of choice. By providing flexibility for our people in the ways that they work, the future workplace strategy will be progressed throughout the five-year regulatory period, and will necessitate the expenditure of capital funds.

Ausgrid needs to provide for the range of miscellaneous minor capital expenditure improvements associated with the balance of the buildings not the subject of individual business cases.

We need to improve our workplace experience and position Ausgrid as an employer of choice. Our purpose, vision and values are reflected in our business drivers:

- Work Safe/ Live Safe
- Customer Focus
- Commercially Minded
- Collaborative
- Honest and Accountable
- Respect.

Historically, throughout the five-year period, operational, safety, environmental and compliance matters arise which necessitate the expenditure of capital funds for office and depot accommodation.

3.2 Workforce

Ausgrid needs to ensure that all offices and depots comply with regulatory requirement and are safe, comfortable and healthy workplaces for staff.

3.3 Inventory and storage

In the case of the addressing needs of a future workplace, the only options were to do nothing or to invest in a future workplace program. The level of expenditure was based on the historic trend on this type of program.

4 OPTIONS AND ASSESSMENT

4.1 Assessment process

In the case of the addressing needs of a future workplace, the only options were to do nothing or to invest in a future workplace program. The level of expenditure was based on the historic trend on this type of program.

4.2 Identifying options to address need

The two options are:

- Option 1 – Do nothing. This involves no capital expenditure
- Option 2 – Provide for the future workplace program.

The operational objectives for this project include the following:

- Move to more agile working to improve business performance
- Provide flexibility for our people in the ways that they work
- Introduce accommodation that fosters collaboration and customer interaction
- Provide a workplace that supports physical and mental health and well-being
- Improve the utilisation of non-network property assets.

These two options are assessed against operational objectives.

The qualitative assessment of the options was undertaken by subject matter experts in the property area. A review of the possible options based on the operational objectives is presented in Table 2 below.

Table 2. Assessment of options against operational criteria

Objective	Option 2 DO NOTHING	Option 1 PROVIDE FOR THE FUTURE WORKPLACE PROGRAM
Move to more agile working to improve business performance	1	5
Provide flexibility for our people in the ways that they work	1	5
Introduce accommodation that fosters collaboration and customer interaction	1	5
Provide a workplace that supports physical and mental health and well-being	1	5
Improve the utilisation of non-network property assets	1	5
TOTAL	5/25	25/25

NOTE: Scale of 1 to 5, where 1 = does not meet objective and 5 = fully meets objective

The do nothing option (Option 1) does not satisfy any of the operational objectives and not considered an appropriate option. Option 2 meets all operational objectives. We present a quantitative assessment of Options 1 and 2 in the following section.

4.3 Assessment of options

Our assessment the qualitative outcomes of each option is presented in Table 3 below.

Table 3. Assessment of options

Description	Assessment	Ranking
Option 1 Do nothing.	The ability to change the way we work consistently across the organisation would not be addressed.	Option 1 does not address operational objectives and is not considered appropriate.
Option 2 – provide for the future workplace program.	<p>This option fully meets the operational objectives and is therefore considered a preferable option to the do nothing option.</p> <p>The key benefit is that it provides a workplace that offers the space and environment to do our work in the most efficient manner possible and to facilitate well-being.</p>	Option 2 is the preferred option.

The preferred option is to provide capital provision for the future workplace program (Option 2). This program will be used to modernise and undertake minor refurbishment of accommodation during 2019-24 regulatory period. This is a prudent measure to ensure our offices and depots continue to provide workplaces that provide health and well-being and encourage greater staff interaction.

4.4 Summary of findings

Based on the operational review and options analysis, Option 2, being the provision for the future workplace program, is the preferred option.

A summary of the benefits is presented in Table 4 below.

Table 4. Summary of benefits of preferred option

Benefits	Description
Support	<p>Provides a workplace that supports physical and mental health and wellbeing.</p> <p>Provides a workplace that supports our ability to encourage interaction.</p> <p>Maintains staff morale and well-being to have safe and well-maintained buildings.</p> <p>Demonstrates respect for our people by empowering them to choose the most efficient way to do their work.</p>
Functionality	<p>Provides a workplace that allows greater accessibility to our customers and stakeholders. Provides a workplace that offers the spaces to do our work in the most efficient manner possible.</p>
Cost effective	<p>Supports our business objectives by looking to long term cost reduction.</p>

Based on the operational review and options analysis, it is recommended that Option 2, being the provision for the future workplace program is implemented as it addresses all Ausgrid’s operational requirements.

While actual sub-projects under the future workplace program are yet to be established, it is considered prudent to set aside sufficient funds to cater for the minor capital works associated with the other 23 depots comprising the non-network property portfolio.

5 DELIVERY MODEL

The Property Branch Facilities Management section within Ausgrid is responsible for the design and construction of the organisation wide non-network property minor capital works program.

The Facilities Management section provides internal clients with innovative and complete solutions tailored to their individual requirements.

The core team is supported by industry recognised internal and external trade contractor resources to provide a project co-ordination service within the project constraints of time, cost and quality.

Many of the works in for this program will be contracted to external contractors and will undergo a market tender process to ensure the best value for money. The level of expenditure was based on the historic trend of this type of program.