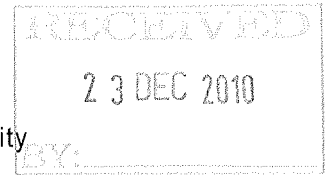
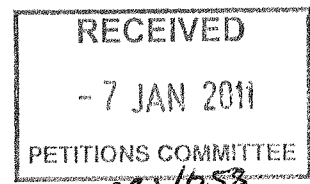




HON GARY GRAY AO MP

Special Minister of State
Special Minister of State for the Public Service and Integrity



REF:C10/3306

The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mr Murphy

Thank you for your letter of 22 November 2010 to Senator the Hon Penny Wong, Minister for Finance and Deregulation, referring to a petition submitted to the Standing Committee on Petitions regarding office accommodation in Gungahlin, ACT. Your letter has been referred to me for a response as issues relating to the management of the Commonwealth domestic non-Defence properties fall within my portfolio responsibilities.

In your letter you attach a copy of the terms of the petition from the citizens of the Federal electorate of Fraser that outlines the benefits of locating Commonwealth Departments in Gunghalin.

The *Financial Management and Accountability Act 1997* (FMA Act) places responsibility for managing public resources, including decisions relating to commercial property arrangements, with the Chief Executive of each agency. The leasing, buying and location of office accommodation, as well as other property management decisions, has therefore for many years been devolved to individual FMA Act agencies.

While the Australian Government has established a Commonwealth Property Management Framework that articulates the Government's expectations for good property management, FMA Act agencies make the actual decisions regarding their accommodation arrangements.


Office lease arrangements are decided on a value for money basis. In the context of office accommodation, suitability for purpose, environmental performance of a building, as well as pricing aspects, would be relevant value for money considerations.

In considering any new requirements for office accommodation in Canberra, FMA Act agencies will of course also consider the condition of the commercial property market. With the Property Council of Australia reporting in its 'Office Market Report July 2010' that Canberra currently has the highest office vacancy rate of any of the capital cities within Australia, FMA Act agencies seeking office accommodation would have a range of available options for consideration.

I trust this information is of assistance to the Committee.

Yours sincerely

GARY GRAY

 December 2010