Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES – 11 FEBRUARY 2016
ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Building lease costs

Question reference number: HS 120

Senator: Ludwig
Type of question: Written
Date set by the committee for the return of answer: 4 April 2016
Number of pages: 2

Question:

Since the change of Prime Minister on 14 September, 2015:

a) What has been the total cost of building leases for the agency / department?
b) Please provide a detailed list of each building that is currently leased. Please detail by:
    1) Date the lease agreement is active from.
    2) Date the lease agreement ends.
    3) Is the lease expected to be renewed? If not, why not?
    4) Location of the building (City and state).
    5) Cost of the lease.
    6) Why the building is necessary for the operations of the agency / department.
c) Please provide a detailed list of each building that had a lease that was not renewed during the specified period. Please detail by:
    1) Date from which the lease agreement was active.
    2) Date the lease agreement ended.
    3) Why was the lease not renewed?
    4) Location of the building (City and state).
    5) Cost of the lease.
    6) Why the building was necessary for the operations of the agency / department.
d) Please provide a detailed list of each building that is expected to be leased in the next 12 months. Please detail by:
    1) Date the lease agreement is expected to become active.
    2) Date the lease agreement is expected to end.
    3) Expected location of the building (City and state).
    4) Expected cost of the lease.
        i)   Has this cost been allocated into the budget?
    5) Why the building is necessary for the operations of the agency / department.

e) For each building owned or leased by the department:
   1) What is the current occupancy rate for the building?
   2) If the rate is less than 100%, detail what the remaining being used for.

Answer:

a) The total cost of building leases for the department since 14 September 2015 is $161,016,483.35.

b) The department has an extensive and geographically diverse property portfolio that requires ongoing maintenance to ensure that service delivery obligations are met. Attachment A provides a broad overview of the department's property portfolio for premises from which business activities are undertaken including details of the State/Territory, location (town or suburb), street address, lease commencement and expiry date, size (in square metres), rent paid per square metre, and the type and function of work undertaken at each site as at 29 February 2016. It should be noted that the rental rates quoted for each tenancy may either be gross, net or face rental levels depending on the agreed lease conditions. The department cannot answer Question (b)(3) as this is considered commercial-in-confidence and to release this information could jeopardise the department's negotiating position with existing landlords.

c) Refer to Attachment B for a list of buildings where the lease has not been renewed since 14 September 2015.

d) Refer to Attachment C for a list of buildings which have leases that expire in the next 12 months. As explained above, the department cannot comment on its future intentions for these leases, or new leases it may enter into, as this is considered commercial-in-confidence and to release this information could jeopardise the department's negotiating position with existing or prospective landlords.

e) The department continues to effectively manage its property portfolio in line with the Commonwealth property guidelines and targets. Refer to Attachment D for an extract of the department's October 2015 response to the Department of Finance's Australian Government Property Data Collection (PRODAC), providing workpoint occupancy data for office leases in excess of 500 square metres. Please note that this excludes the majority of the department's network of service centres and these are exempt from PRODAC due to being considered non-office space.