

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES 2014-15**

**Finance Portfolio**

**Department/Agency:** Department of Finance

**Outcome/Program:** 2/2.2

**Topic:** Scoping study into buildings in the Parliamentary Triangle

**Senator:** Wong

**Question reference number:** F90

**Type of question:** Written

**Date set by the committee for the return of answer:** Friday, 10 April 2015

**Number of pages:** 3

**Question:**

1. I refer to the announcement on 13 February 2015 that the Government is undertaking a scoping study into the divestment options of buildings in the Parliamentary Triangle.
2. How many staff members are involved with this? Has the Department hired additional staff or contractors to conduct this work (aside from the Pricewaterhouse Coopers and Ashurst adviser staff)? If so can the Department provide details of them please – APS level or SES classifications, part-time/full-time, etc.
3. Who are the current tenants of the John Gorton and Treasury buildings, East and West Block, and Anzac Park East and West?
4. Can the Department describe the current arrangements for these buildings – the Commonwealth owns all these buildings, and tenants pay lease costs? Do the lease costs go back to Finance?
5. Can the Department provide the lease costs for all the tenants of these six buildings? When do these leases expire?
6. Given there are the ongoing works in relation to the John Gorton Building – can the Department provide details of the ongoing maintenance and refurbishment requirements and costs for the other five buildings?
7. Is the Department aware of any restrictions on the use of these buildings based on any heritage requirements?
8. What kind of alternative uses for the properties are part of this scope – retail, residential, other private offices?
9. Does the Department have details of which Government departments/agencies are housed in buildings that are not owned by the Government? If so, could the Department provide that list, along with the details of the lease costs, and location of the buildings?
10. As part of the scoping study, will the Government take into account the 2001 Australian National Audit Office's report into Commonwealth Estate Property Sales, which looked at, among other sales, the sale of the RG Casey Building in 1998?
11. Is the Department aware of any other examples in Australia, or internationally, where the Government has sold buildings it owns only to then rent it back?
12. Will the scoping study assume that another Government department will use John Gorton Building if Finance vacates the premises? That is, will the scoping study assume, or at least include, a buy-lease back scenario?
13. Is it the Department's understanding – and for the purposes of the scoping work – that Treasury will remain in the Treasury building?

14. Can the Department confirm that the outcomes of the scoping work – including the assumptions around future rent and tenants costs – will be released publicly?
15. Will the Public Works Committee scrutinise this work before any sale is finalised?

**Answer:**

1. N/A.
2. The Department of Finance has not engaged additional advisers or contractors aside from the PricewaterhouseCoopers and Ashurst. The Department currently has 5 staff (SES1, EL2, 2 x EL1 and an APS6) working across this scoping study and another.
3. John Gorton Building – Department of Environment, Department of Finance;  
Treasury Building – The Treasury, Department of Finance, National Capital Authority;  
East Block – National Archives of Australia;  
West Block – Australian Electoral Commission;  
Anzac Park West – Department of Defence; and  
Anzac Park East – Vacant.
4. The Department of Finance, on behalf of the Commonwealth is the owner of these buildings. Tenant rent is paid to the Department of Finance into the Property Special Account (PSA).
5. Providing details of lease costs of the relevant buildings, noting that a scoping study is still in progress, could compromise the Commonwealth's interest in any potential divestment process.
6. The figures below represent the estimated expenditure to Finance as the owner of the buildings.  
Treasury Building: Annual Maintenance (\$1,294,031 in 2014-15) and Approved refurbishment and capital works (\$740,000 in 2014-15).  
West Block: Annual Maintenance (\$690,000 in 2014-15) and Approved refurbishment and capital works (\$4,712,000 in 2014-15).  
East Block: Annual Maintenance (\$nil in 2014-15) and Approved refurbishment and capital works (\$nil in 2014-15 - Tenant manages maintenance).  
ANZAC Park East Building: Annual Maintenance (\$93,410 in 2014-15 and Approved refurbishment and capital works (\$nil in 2014-15).  
ANZAC Park West Building: Annual Maintenance (\$634,290 in 2014-15) and Approved refurbishment and capital works FY 14-15 (\$nil in 2014-15).
7. The buildings are protected under the *Environment Protection and Biodiversity Conservation Act 1999*. A change in use would require compliance with the *Environment Protection and Biodiversity Conservation Act 1999*. The use of the buildings is also subject to the National Capital Plan.
8. The scoping study is looking at a broad range of issues and uses for the six buildings in the context of the National Capital Plan and heritage and environmental considerations.
9. The Department of Finance collects data from entities in relation to their leases of office space of over 500 square metres in size. The majority of Commonwealth entities lease from the private sector with around 2,700 leases nationally, committing over \$12 billion of funds.

Providing a list of Commonwealth leased office accommodation, including costs, would include commercially sensitive information and publicising any such information could compromise the Commonwealth's interest in any potential divestment process.

10. The scoping study will take into account a range of relevant factors in forming its recommendations.
11. The Department of Finance is aware of sale and leaseback arrangements from Governments in the US (California), UK and Canada. Further, Finance is aware, and has considered as part of the scoping study, several examples of sale and leaseback arrangements involving the Australian Government. Some examples from the Australian Capital Territory include Robert Garran Offices in Barton; the Edmund Barton Building in Barton; and the Benjamin and Cameron Offices in Belconnen.
12. The scoping study will look at a range of possible scenarios including their continued use as office accommodation with new and existing government tenants in the context of the national capital plan and permissible uses for the buildings.
13. The scoping study will look at a range of possible scenarios (see answer to 12).
14. It is a matter for the Government whether to publicly release the report, noting that the scoping study report will include commercially sensitive information and publicising any such information could compromise the Commonwealth's interest in any potential divestment process.
15. No.