

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

**Portfolio: Prime Minister and Cabinet
Agency: Australian National Audit Office**

Additional Estimates 2002-2003: Monday, 10 February 2003

Senator:	Senator Brandis
Hansard Page:	F&PA 104
Question PM33	Senator Brandis asked a question regarding whether there had been any approaches to the Labor Party or its entity to renegotiate the head lease and asked for a copy of the ANAO's letter in this regard.
Answer: Please find attached copies of correspondence between John Curtin House Limited and the Australian National Audit Office in relation to the lease of Centenary House.	

WARREN COCHRANE
Acting Deputy Auditor-General



8 March 2002

Mr Paul Wilkinson
Secretary
John Curtin House Limited
PO Box E1
KINGSTON ACT 2604

Dear Mr Wilkinson

Centenary House Lease – Australian National Audit Office (ANAO)

You will recall that I wrote to you in early 2001 about the ANAO's lease obligations under the Centenary House lease. At that time you advised that the company saw no benefit in discussing the situation.

In the context of the Senate Finance and Public Administration Legislation Committee's consideration of the ANAO's budget, this issue continues to be raised, particularly the fact that the difference between the market lease rate and the ANAO's lease obligations continues to increase. It seems reasonable to assume that this trend will continue for the foreseeable future. It is clear that economic conditions have changed markedly since the original lease was entered into and this has resulted in the lease escalation arrangements in particular being far in excess of provisions included in more recent lease agreements in the Barton area.

While noting the Directors' previous response, the ANAO requests that the situation again be brought to the attention of the Directors with a view to exploring opportunities to minimise the ANAO's future lease obligations.

I would again welcome the opportunity of discussing these matters with you at a mutually convenient time. I can be contacted on ☎ 6203 7640 or by email russell.coleman@anao.gov.au.

Yours sincerely


Russell Coleman
Executive Director
Corporate Management Branch

John Curtin House Limited ¹⁷⁵

(Incorporated in the ACT)
ACN 008 515 222

PO Box E1 Kingston, ACT 2604
Centenary House 19 National Circuit Barton ACT 2600
Telephone (02) 6120 0800 Facsimile (02) 6120 0801

28 August 2002

2 SEP 2002

Mr Russell Coleman
Executive Director
Corporate Management Branch
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

*Ms Walsh
per file
11/9*

Dear Mr Coleman,

I write in relation to your letter of 8 March 2002 relating to the ANAO's lease obligations under the Centenary House lease.

The directors are, of course, willing to give consideration to your request.

However, I must advise that the view we provided in April of last year to a similar request is likely to remain.

As you would be aware, the company's mortgagee, Macquarie Bank Limited, was heavily involved in the original lease negotiations and the structure of the borrowing was based on the certainty of the future cash flow generated by the agreed fixed rental increases.

Any variation to the rentals would create difficulties for the company in meeting its obligations to the mortgagee.

The lease was entered into in good faith by both parties, based on the agreed terms and conditions.

In these circumstances, the directors reached a view in relation to your last request that they could not responsibly, at that point in time, assist you.

Nonetheless, the matter will be considered again by the directors at their next meeting.

I will advise you of the outcome of that consideration.

Yours sincerely



Paul Wilkinson
Secretary

John Curtin House Limited

(Incorporated in the ACT)
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18 September 2002

Mr Russell Coleman
Executive Director
Corporate Management Branch
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Mr Boyle
→ Russell
EYF
MS
MS 25/09

Dear Mr Coleman,

Further to our letter of 28 August 2002 in relation to the ANAO's lease obligations under the Centenary House lease, I confirm that the directors have considered your request and that they cannot responsibly assist you at this time.

Yours sincerely



Paul Wilkinson
Secretary