

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Additional Estimates 2015 - 2016

#### Agency - Fair Work Commission

Department of Employment Question No. EMSQ16-000730

Senator Ludwig provided in writing.

#### Question

##### FWC - Building Lease costs

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

1. What has been the total cost of building leases for the agency / department?
2. Please provide a detailed list of each building that is currently leased. Please detail by:
  - a. Date the lease agreement is active from.
  - b. Date the lease agreement ends.
  - c. Is the lease expected to be renewed? If not, why not?
  - d. Location of the building (City and state).
  - e. Cost of the lease.
  - f. Why the building is necessary for the operations of the agency / department.
3. Please provide a detailed list of each building that had a lease that was not renewed during the specified period. Please detail by:
  - a. Date from which the lease agreement was active.
  - b. Date the lease agreement ended.
  - c. Why was the lease not renewed?
  - d. Location of the building (City and state).
  - e. Cost of the lease.
  - f. Why the building was necessary for the operations of the agency / department.
4. Please provide a detailed list of each building that is expected to be leased in the next 12 months. Please detail by:
  - a. Date the lease agreement is expected to become active.
  - b. Date the lease agreement is expected to end.
  - c. Expected location of the building (City and state).
  - d. Expected cost of the lease.
  - i. Has this cost been allocated into the budget?
  - f. Why the building is necessary for the operations of the agency / department.
5. For each building owned or leased by the department:
  - a. What is the current occupancy rate for the building?
  - b. If the rate is less than 100%, detail what the remaining being used for.

#### Answer

From 14 September 2015 to 31 January 2016:

1. The total cost of building leases for the Fair Work Commission was \$4.55 million (excluding GST). This is on a cash basis, and excludes the impact of straight lining or amortisation of incentives.

2. a) to d) – refer to information in the table:

Address	Landlord	Status	Start date Lease	Date Lease Expires (2)	Expected to be renewed – see accompanying notes
Melbourne	Private	Active <sup>(1)</sup>	1/06/2005	30/06/2018	2
Sydney	Private	Active <sup>(1)</sup>	1/07/2012	30/06/2022	3
Adelaide	Private	Active	1/07/2008	31/12/2020	3
Perth	Private	Active	1/12/2013	30/11/2022	3
Darwin	Private	Active	1/01/2016	31/12/2017	4
Canberra	Private	Active	1/06/2013	31/05/2018	4
Hobart	Commonwealth Law Courts	Active	Year by year MOU with the Department of Finance		4
Brisbane	Private	Active	4/04/2012	3/04/2017	2

NOTES:

- (1) The Fair Work Commission subleases space to external parties in this tenancy
- (2) An approach has been made to the market (commercially sensitive).
- (3) Given the length of the remainder of the lease until expiry, these leases are not currently under review.
- (4) A needs analysis is currently being conducted or will be prepared shortly.

e) Refer to the response to question 1, above.

f) The buildings are necessary for the operation of the Fair Work Commission to enable it to fulfill its statutory functions. Accommodation is used for hearings, conferences, Members' chambers, and staff office accommodation.

3. a) to f) Nil

4. a) to f) The Fair Work Commission has approached the market in 2015 for the Brisbane and Melbourne tenancies. We expect to enter a commitment in the current quarter. The evaluation process and terms offered by landlords are currently commercially sensitive. The Fair Work Commission will continue its presence in Melbourne and Brisbane. The expected cost of tenancies has been allocated into forward budgets. The buildings are necessary for the operation of the Fair Work Commission to enable it to fulfill its statutory functions. Accommodation is used for hearings, conferences, Members' chambers, and staff office accommodation.

5. Not applicable. The Fair Work Commission does not own or lease out buildings.