

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Additional Budget Estimates 2013-14
27 February 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Property Costs

REFERENCE: Written Question – Senator Bushby

QUESTION No.: AI-104

1. What efforts has your department made to shift towards best practice in property leasing to achieve best value for money?
2. Are you making any efforts yet to reconfigure existing office space to achieve a staff occupancy of 14 sqm or less, and exploring opportunities to sub-let the liberated floor space? If not, why not? What market experts have you engaged on these issues and have they advised you that efficiencies are unable to be achieved?

ANSWER

1. The Department is consolidating its property holdings following recent machinery of government (MOG) changes. The Department is currently negotiating with agencies receiving functions transferred from the Department as a result of these MOG changes regarding the relocation of staff. The finalisation of this process will allow the department to identify space that is surplus to our needs and where the potential for reconfiguration and subleasing exists.
2. The 2013-14 Budget process adjusted the occupational density target for properties over 500 square metres of useable area from 16m² to 14m² per occupied workpoint from 1 July 2013. Since 1 July 2013, the department has not undertaken major fit-outs for properties greater than 500 square metres.

It is intended that as property leases expire, they will be reviewed against the potential to consolidate lease holdings and to improve the occupational density of the department's properties in line with the guidance material. In addition, the department has advertised existing vacant workpoints on the Department of Finance property site, GovDex.

To date, no market experts have been engaged to advise on these issues or efficiencies.