



Australian Government
Defence

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Mr Tony Zappia MP

Chair

Parliamentary Standing Committee on Public Works

Parliament House

CANBERRA ACT 2600

Dear Mr Zappia

**DEPARTMENT OF DEFENCE RESPONSE TO QUESTION ON NOTICE TAKEN
DURING THE HEARING INTO THE 9 MOLONGLO DRIVE PROJECT**

1. The Parliamentary Standing Committee on Public Works' Private Briefing, Public and In-camera Hearings for the 9 Molonglo Drive Project (the Project) were convened on 06 February 2026. During the Public Hearing, there were three questions taken on notice. Defence's response to the questions are provided below.

Question 1: Can you provide a better picture of the present position of Defence in the Brindabella Business Park overall. What room is there?

2. **Defence Response:** The Department of Defence have office accommodation leases at the following buildings at Brindabella Business Park:

- 1 Molonglo Drive, Canberra Airport
- 10 Brindabella Circuit, Canberra Airport
- 12 Brindabella Circuit, Canberra Airport
- 18 Brindabella Circuit, Canberra Airport
- 20 Brindabella Circuit, Canberra Airport
- 25 Brindabella Circuit, Canberra Airport
- 26 Brindabella Circuit, Canberra Airport
- 29 -31 Brindabella Circuit, Canberra Airport
- 33-35 Brindabella Circuit, Canberra Airport
- 39 Brindabella Circuit, Canberra Airport

In total, there are 4,783 work points across these buildings which are allocated to approximately 5,180 staff. Australian Public Service Employee Census 2025, captured 62% of respondent's accessed working away from office or at home as part of a flexible working arrangement.

Question 2: Please provide an overview of how the Lease Incentive works to better understand it.

3. **Defence Response:** A lease incentive is offered by lessors as a financial or non-financial benefit to encourage a tenant to sign, renew, or extend a lease. Incentives may include rent-free periods, reduced rent, fit-out contributions, cash payments, or relocation assistance. Incentives are designed to offset the tenant's upfront or ongoing costs of occupying the premises.

The nature of an incentive is influenced by market conditions at the time of negotiation. In markets with high vacancy rates, more substantial incentives may be offered. Conversely, when vacancy rates are low and demand is strong, incentives tend to be smaller. Lease incentives are generally calculated with reference to the gross rent, size of the leased area, and the lease term.

The total incentive for the Project is an estimated \$70.1 million, comprising of incentives from the four existing buildings and 9 Molonglo Dr. Defence will be released from make good obligations to the four buildings, with ongoing lease costs extinguished from date of surrender.

Question 3: How can you create a Zone 3 or 4 at home?

4. **Defence Response:** A home office is a Zone 1 environment. Zone 3 and 4 Zone areas must be certified and have specific structural requirements. Defence personnel must attend a Defence site at the relevant security level to interact with information of a sensitive nature.

5. Please do not hesitate to contact me if you require further clarification.

Yours sincerely

Matthew Quinn, CSC
Brigadier
Director General Capital Facilities and Infrastructure

10 February 2026