

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates
2014 - 2015

Department/Agency: ACCC

Question: SBT 710-714

Topic: Building lease costs

Reference: written - 30 October 2014

Senator: Ludwig, Joe

Question:

Since Budget Estimates in June, 2014:

710. What has been the total cost of building leases for the agency / department?
711. 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.
712. 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.
713. 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?
 - e) Why the building is necessary for the operations of the agency / department.
714. For each building owned or leased by the department/agency:
- 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:

710. The total cost of building leases from 1 June to 31 October 2014 is \$7,338,561. This figure includes the onerous lease provision for level 7 Nishi Building, Canberra. The Nishi operating lease became onerous when ACCC vacated the premises in May 2014 and the present value of the unavoidable costs of meeting the lease obligations were required to be recognised as a provision. A provision of \$3.3m was recognised

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as a lease expense in the Statement of Comprehensive Income and as an 'other' provision in the Statement of Financial Position as at 30 June 2014.

Expenditure figures are for rent only and are GST exclusive. Not included in these figures are car parking, electricity, cleaning and other building outgoings.

711. a) – f) See table below

Lease Schedule - as at 31 October 2014

Suburb	Street Address	Lease Start	Lease End	Area/ Quantity	Unit	Rent per unit \$	Comments
Adelaide SA	13 Grenfell Street	01-May-2008	30-Apr-2018	743	psmpa	421.24	<p>ACCC is required to have a presence in each State & Territory.</p> <p>Lease renewals will be reviewed close to termination and decisions will be based on staffing and other requirements</p>
Brisbane QLD	400 George Street	01-Jan-2010	31-Dec-2019	952	psmpa	735.30	
Canberra ACT	23 Marcus Clarke Street,	01-Aug-2007	31-Jul-2022	6,851	psmpa	463.05	
Canberra ACT	Level 7, Nishi Building	19-Dec-2012	30-Sep-2027	1,885	psmpa	555.60	
Darwin NT	9 Cavanagh Street	01-Sep-2013	30-Sep-2018	306	psmpa	475.00	
Hobart TAS	Level 2, 70 Collins St	01-Jul-2012	29-Nov-2019	279	psmpa	279.26	
Melbourne VIC	Level 35, 36, 37, 38 Melbourne Central, 360 Elizabeth Street	01-Jan-2008	31-Dec-2017	6,085	psmpa	447.50	
Melbourne VIC	Level 34 Melbourne Central, 360 Elizabeth Street	01-Sep-2009	31-Dec-2017	1,476	psmpa	437.43	
Perth WA	Eastpoint Plaza 233 Adelaide Tce	01-Apr-2008	31-Mar-2018	557	psmpa	624.75	
Sydney NSW	175 Pitt Street	01-Apr-2011	31-Mar-2021	3,137	psmpa	697.84	
Townsville QLD	Suncorp Building, Level 9, 63 Sturt St	01-Dec-2012	30-Nov-2017	220	psmpa	374.40	

Notes:

1. All figures are GST exclusive
2. Rent cost only
3. Figures current as at 31 October 2014

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712. Not applicable.
a) – f) Not applicable.

713. Not applicable.
a) – f) Not applicable.

714. The occupancy rate below is represented as a percentage of total available workpoints.

Suburb	State/ Territory	Occupancy rate for lease as at 12 June 2014 (%)	Occupancy rate for lease as at 31 October 2014 (%)
Adelaide	SA	83.7	89.8
Brisbane	QLD	83.8	81.5
Canberra (MCS)	ACT	71.8	75.8
Canberra (Nishi)	ACT	0.0	0.0
Darwin	NT	88.9	88.9
Hobart	TAS	50.0	44.4
Melbourne (L35-38)	VIC	72.9	72.3
Melbourne (L34)	VIC	70.3	71.3
Perth	WA	65.7	57.1
Sydney	NSW	66.2	66.2
Townsville	QLD	60.0	66.7

Note: Occupancy rate expressed as percentage of total workpoints.

The remaining space is currently unoccupied. The ACCC is in the process of seeking a sub-lease of the Canberra Nishi office, vacated in May 2014. All Canberra staff were consolidated into a single property. Additionally, the ACCC is exploring other options to sub-lease unoccupied space in Sydney and Melbourne offices.