

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 2/2.2

Topic: Nishi building lease

Senator: Smith

Question reference number: F38

Type of question: as 'Hansard' with F&PA; Page 129; 19 November 2013

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Number of pages: 2

Question:

Senator Dean Smith

Mr Tune, I just want to go to the issue of the Nishi lease in Acton, are you familiar with that?

Mr David Tune

I am, in recent times I have become aware of it, yes.

Senator Dean Smith

Ok, we might come to that. The matter was discussed yesterday in the Environment estimates and it was revealed that there was a \$150 million cost attached to breaking the lease on the building and I am sure you are familiar that the Nishi building was rented for about \$157 million to become the new home of the now defunct department of climate change until the end of 2027. I was hoping that you might, well I'm assuming that Finance was fully aware and fully abreast of this lease negotiation and arrangement?

Mr Teschendorf: Finance's involvement with the Nishi lease has not occurred until the recent MOG—machinery of government—changes.

Senator SMITH: Were the consequences of the lease evident to finance before advice was given about entering into the agreement? Clearly, there are some risks: there is no climate change department. Clearly, this is an expensive lease.... I am curious to know at what point finance became aware of the risks? Were they well known to you at the point that you became aware of the project?

Ms Mason: I do not think we would have had at the time detailed knowledge of the proposal. We probably need to take that on notice and check whether there were any officers in the department who did have greater knowledge.

Senator SMITH: So, Ms Mason, the change that you referred to in your immediate evidence: at what month and in what year did that change take place?

Ms Mason: Unless one of my colleagues has that detail with them I think I would need to take that on notice. It is relatively recent.

Senator SMITH: Okay.

Ms Mason: The last couple of years.

Senator SMITH: The day and the month and the year would be great.

Ms Mason: Yes.

Mr David Tune: It's probably fair to say too that its evolved overtime, so there's been a series of things we've been doing progressively over a couple of years to try and improve the situation.

Answer:

The Department of Finance became aware on 9 April 2010 that the Agreement for Lease relating to the Nishi building had been executed on 10 March 2010 by the then Department of Climate Change.