

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Department of Finance
Outcome/Program: 2/2.2
Topic: Cost of ATO office in Gosford

Senator: Ludwig

Question reference number: F152

Type of question: Hansard, F&PA Committee, Page 93, 20 November 2014

Date set by the committee for the return of answer: Wednesday, 31 December 2014

Number of pages: 1

Question:

Senator LUDWIG: What I was particularly interested in is that when you look at the resource management guidance for the two-stage capital works approval process for Australian government construction projects, paragraph 5, on pages three and four, confirms that: *5. New Policy Proposals (NPPs) for capital works, excluding fit-outs, which are estimated to have a capital cost of \$30 million or more and are undertaken in Australia, its external territories and overseas, are subject to the Two Stage process.* That is where you would come into play as the Department of Finance, as I understand it. So what I was trying to ascertain is whether it has come to you because it is over that amount, or it has not.

Ms Halton: I have not seen it yet, but I will take that on notice.

Answer:

In accordance with the Commonwealth Property Management Framework, the ATO is expected to test the market for accommodation options in Gosford. The ATO is required to develop a Cost-Benefit Analysis of the various options for the Gosford proposal. If it is above the whole-of-life cost threshold of \$30 million, the cost benefit analysis would be provided to Finance – under the Finance Secretary’s lease endorsement process – for review and endorsement by the Finance Secretary. The preferred solution must demonstrate value for money and fitness for purpose.

The *Two Stage Capital Works Approval Process for Australian Government Construction projects* excludes fit-out projects. The Two Stage Approval Process focuses on complex capital works proposals that are or will be owned and operated by the Commonwealth. Leasing arrangements with the private sector are excluded from this process.