

## **QUESTION TAKEN ON NOTICE**

### **BUDGET ESTIMATES HEARING : 22 May 2017**

#### **IMMIGRATION AND BORDER PROTECTION PORTFOLIO**

#### **(BE17/001) - ACT Headquarters building project - Internal Product (DIBP)**

Senator Gallacher, Alex (L&CA 5) asked:

Senator GALLACHER: Thanks, Chair. Mr Pezzullo, can I draw your attention to a number of answers your department provided in response to questions from Senator Carr. They are AE17/120, AE17/121, AE17/161, AE17/155 and AE17/144. I would like to discuss the department's response to these questions.

If we start with AE17/120, it claims that the department is not compelled to answer the question because the information requested has been provided to another committee. I think you would be familiar with that other committee—the Parliamentary Standing Committee on Public Works. In AE17/121 it also makes the claim of commercial-in-confidence. It is a matter of the public record that the chair of the joint committee of public works put a statement on the Hansard where he labelled the department's actions as bordering on uncooperative. Subsequently you gave evidence that a hearing of the Public Works Committee was cancelled because of estimates. To borrow former Senator Heffernan's terminology, there appears to be a bit of circle work going on here.

We would like to know whether you have deliberately withheld information about the expenditure of taxpayers' money without having any appropriate grounds to do so. If I refer you back to the chair's opening statement, all areas of expenditure of taxpayers' money are subject to scrutiny. So would you like an opportunity to reconsider your answers?

Mr Pezzullo: You might assist me. I cannot quite recall how the numbers line up with the questions. The two questions in particular that you refer to pertain, I assume, to the ACT headquarters project, because that is what I infer. But what were the questions specifically about? Could you just assist me.

Senator GALLACHER: I can refresh your memory:

Please confirm the cost of the building for both rent and refit and provide a full breakdown and overview/plans of the building. Please provide an explanation as to why this building was chosen over alternatives.

Your answer was:

Pursuant to the operation of section 23 of the Public Works Act 1969, the Department is not compelled to provide this information for the purposes of Additional Estimates, as it has been provided to the Parliamentary Standing Committee on Public Works in private.

That does not hold water.

Mr Pezzullo: I see—'in private.' I might just ask the chief operating officer and head of the relevant division to join me. I think the issue at play here is the material that has been provided, including especially the cost-benefit analysis that would answer the majority of the thrust of the question, has been provided to the Public Works Committee but has not been published by that committee. I suspect that is what we are dealing with. I might just ask Ms Connell to reflect on that and add to my answer. As to your general proposition: I will come back to it at the end in terms of your larger question about our supposedly uncooperative approach to the examination—

*Answer:*

In regard to AE17/121 the Department provides the following amended response:

The Department issued a Request for Proposal (RFP) on 5 February 2016 to four building owners at Civic, Belconnen and Canberra Airport as part of a Whole of Government (WOG) approach to market on behalf of the Department, Australian Bureau of Statistics and the Department of Defence (DoD).

The Civic and Belconnen Landlords were given the option of putting forward an alternative proposal of leased office accommodation. One alternative proposal was received for Belconnen.

In total, the Department received 8 proposals for leased office accommodation under the WOG approach. The buildings were each evaluated on the basis of best overall value for money, including the determination of which buildings best met the objectives of the Commonwealth.

With the exception of the two buildings at Brindabella Business Park required by the Department of Defence, the RFP's required a tenant incentive of \$2400/m<sup>2</sup> for the 6 other buildings which was to be used for any fitout works across any of the leased accommodation.

In regard to AE17/120 the Department provides the following amended response:

The Department provided over 100 pages of evidence as part of its Headquarters project submission to the Parliamentary Standing Committee on Public Works. To maintain the integrity of the commercial in confidence and security aspects of the project, as allowed by the *Public Works Committee Act 1969*, a portion of this evidence was provided in the form of a Confidential Submission.

Cognisant of the commercial in confidence material that has been obtained during the tender process, the estimated total whole of life cost for the 3 Molonglo building for both rent and refit is \$897.55m.

A copy of the current version of the floor plans are attached.

The buildings selected in this process were identified as part of the Whole-of-Australian-Government procurement process (undertaken by the Department of Immigration and Border Protection, the Department of Defence and the Australian Bureau of Statistics in consultation with the Department of Finance) as representing the best value for money for the Commonwealth.