



18 February 2004

Mr Alistair Sands
Secretary
Senate Finance & Public Administration Committee
Parliament House
CANBERRA ACT 2600

Dear Mr Sands

CONSIDERATION OF ADDITIONAL BUDGET ESTIMATES – MONDAY, 16 FEBRUARY 2004 – QUESTIONS ON NOTICE

Attached is the response from the Australian National Audit Office to a question taken on notice at the Committee's hearing held on Monday, 16 February.

In addition, I would also like to inform the Committee of a change in the lease rental cost to the ANAO.

From 23 September 2003, the transitional period for application of the Goods and Services Tax expired and GST became payable on the Centenary House lease rental payments. A copy of the notice from John Curtin House Limited to the ANAO is attached (Attachment A).

The lease rental payable by the ANAO has not increased. The net cost of the lease rental to the ANAO has reduced, as the ANAO is able to claim a GST input tax credit.

Attached for the Committee's information is a copy of the revised schedule of net effective lease payments for the remainder of the lease (Attachment B).

Should you have any queries in relation to this matter, please contact Mr Russell Coleman on ☎ 6203 7640.

Yours sincerely

Oliver Winder
Acting Auditor-General

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

**Portfolio: Prime Minister and Cabinet
Agency: Australian National Audit Office**

Consideration of Additional Budget Estimates: 16 February 2004

Senator:	Senator Brandis
Hansard Page:	F&PA 146
Question	What was the professional fee charged to the ANAO by Mallesons for legal advice?

Answer: The cost of the legal advice was \$1,000 excl. GST.

OLIVER WINDER
Acting Auditor-General

John Curtin House Limited

(Incorporated in the ACT)
ACN 008 515 222
ABN 87 008 515 222

PO Box 6222 Kingston, ACT 2604
Centenary House 19 National Circuit Barton ACT 2600
Telephone (02) 6120 0800 Facsimile (02) 6120 0801

28 July 2003

Corporate Management
Rec: 31/7/2003
No: 85

Mr. Wilkinson
The directors

Mr Russell Coleman
Director Corporate Management
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Coleman,

Under the *A New Tax System (Goods and Services Transition) Act 1999* (GST Transition Act), clause 4 (3) of the Centenary House lease constitutes an opportunity to review, and as such the lease rentals will become subject to GST from 23 September 2003.

As provided by the terms of the lease agreement, annual lease rentals will increase, to \$5,802,363.73 from 23 September 2003.

Monthly rentals will be \$485,530.31 GST inclusive (Total GST included \$44,139.12).

Please make the necessary adjustments to your payments.
Should your office require the issue of a formal "tax invoice" for the monthly rentals, please advise.

Yours faithfully,



Paul Wilkinson
Company Secretary

Canberra

Centenary House

Area 6297m²

Term 15 years (5 year option to be exercised in Yr 10)

Start Date September 23, 1993

Other 91.7% of Outgoings from John Curtin House

Carparks 148 spaces

Option To be exercised 5yrs&3mths before expiration (ie 22/6/03)

Budget 2003/2004

(includes car parks)

Rent per annum @	5,323,269.49	for 2 mths (Jul/Aug)	\$ 887,211.58	Nil GST
Rent per annum @	5,323,269.49	22 days of Sept	\$ 320,854.60	Nil GST
Rent per annum @	5,274,876.13	8 days of Sept	\$ 115,613.72	Excludes GST
Rent per annum @	5,274,876.13	9 mths (Oct - Jun)	\$ 3,956,157.10	Excludes GST
Total Rent for financial year 2003-2004			<u>\$ 5,279,837.00</u>	

The schedule below sets out the net effective lease payments for the remainder of the lease term (exclusive of GST)

Rent Review Dates	Office Space \$/ m ²	Basement Parking (120) \$/parking bay	Rear Parking (28) \$/parking bay	Total Annual Rental	Escalation
Sep-93	367.95	1,000.00	500.00	2,450,981.15	
Sep-94	401.07	1,090.00	545.00	2,671,569.45	220,588.30
Sep-95	437.16	1,188.10	594.05	2,912,010.70	240,441.25
Sep-96	476.51	1,295.03	647.51	3,174,091.67	262,080.96
Sep-97	519.39	1,411.58	705.79	3,459,759.92	285,668.25
Sep-98	566.14	1,538.62	769.31	3,771,138.31	311,378.39
Sep-99	617.09	1,677.10	838.55	4,110,540.76	339,402.45
Sep-00	672.63	1,828.04	914.02	4,480,489.43	369,948.67
Sep-01	733.16	1,992.56	996.28	4,883,733.47	403,244.05
Sep-02	799.15	2,171.89	1,085.95	5,323,269.49	439,536.01
Sep-03	791.88	2,152.15	1,076.07	5,274,876.13	(48,393.36)
Sep-04	863.15	2,345.84	1,172.92	5,749,614.98	474,738.85
Sep-05	940.84	2,556.97	1,278.48	6,267,080.33	517,465.35
Sep-06	1,025.51	2,787.10	1,393.55	6,831,117.56	564,037.23
Sep-07	1,117.81	3,037.93	1,518.97	7,445,918.14	614,800.58

GST applies to Centenary House lease rental payments from 23 September 2003 but ANAO does not pay GST due to the absence of a GST provision in lease. GST applies from 23 September 2003 which is the first review date under the terms of the lease.