

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

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 2/2.2

Topic: ATO/DVA Accommodation

Senator: Wong

Question reference number: F186

Type of question: Written

Date set by the committee for the return of answer: Friday, 11 April 2014

Number of pages: 3

Question:

In relation to the joint media release issued by the Minister for Finance and the Assistant Treasurer:

- a) When will the co-location activities be completed?
- b) Can you provide a year-on-year profile of the efficiencies expected to be realised by the co-location?
- c) Will there be any lead-in work prior to June 2016 in relation to the co-location?
- d) If so, when will this occur? Will this have a cost?
- e) When does the lease on the current premises of the Department of Veterans' Affairs expire?
- f) If the co-location will be completed prior to the lease expiring, what is the cost of breaking the lease?
- g) Are the costs of moving the Department of Veterans' Affairs into the Australian Tax Office premises included in the costs – that is, is the \$84 million figure a net figure?
- h) What is envisaged for the premises in Woden once the Department of Veterans' Affairs vacates?

Answer:

a) & b) The Media Release issued by Senator the Hon Michael Ronaldson, Minister for Veterans' Affairs on 5 March 2014 ([Attachment A](#)), stated that June 2016 is the approximate date for the Department of Veterans' Affairs (DVA) and the Australian Taxation Office (ATO) to co-locate.

The efficiencies are based on a reduction in total rental expenses to the Commonwealth over the full term of the lease, including extension options (a seventeen year period). Based on an annual rent escalation of 3.5 per cent over the full term of the lease (seventeen years), and a commencement rent of \$4.1 million, this initiative is expected to realise efficiencies of \$88.5 million.

Some fit out adjustment is likely to be required to accommodate DVA as a subtenant in the ATO's lease arrangement.

c) & d) The lead-in work would occur prior to DVA moving into the premises. Questions relating to fitout adjustment should be directed to DVA and the ATO.

e) The two DVA leases within Lovett Tower expire on 30 June 2016.

f) The DVA lease is not being terminated prematurely.

g) No. Relocation costs are not part of the calculations.

h) Any commercial decision post the vacation of Lovett Tower by DVA is a decision for the landlord/owner of the building.



Media Release

Senator the Hon Michael Ronaldson
Minister for Veterans' Affairs
Minister Assisting the Prime Minister for the Centenary of ANZAC
Special Minister of State

Wednesday, 5 March 2014

VA013

GIVING DVA A NEW HOME FOR THE LONG-TERM

Today's announcement to relocate the national office of the Department of Veterans' Affairs from Woden to Civic in 2016 marks a new beginning for DVA, the Minister for Veterans' Affairs, Senator the Hon. Michael Ronaldson, said.

"The Government is committed to maintaining a stand-alone Department of Veterans' Affairs. This announcement, reflecting a Whole-of-Government decision, will ensure that DVA continues to provide high-quality services to veterans and their families into the future," Senator Ronaldson said.

"The announcement by the Minister for Finance that DVA will move to Civic represents a significant financial saving to the taxpayer. Whilst I acknowledge that the move may be disruptive to some staff in the Department, I hope they, like me, view this as a positive step in the Department's long-term future."

"DVA has leased the iconic Lovett Tower in Woden for over 40 years. Remaining in the existing accommodation would have required an extensive refurbishment of the existing facilities at significant cost to the taxpayer."

"By using already leased office space, DVA is saving taxpayers money. DVA has a responsibility to ensure it fulfils its obligations to the Whole-of-Government approach identified by the Minister for Finance. The decision to move in to modern office accommodation will improve the functional working environment for the Department," Senator Ronaldson said.

From June 2016, the ATO will sub-lease vacant space to DVA within one of its existing premises located on the corner of Bunda and Genge streets in Civic. Clients who currently access DVA's Woden VAN office will be unaffected by the national office's relocation.

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Veterans and Veterans Families Counselling Service (VVCS) and Veterans Line can be reached 24 hours a day across Australia for crisis support and free and confidential counselling. Phone 1800 011 046 (international: +61 8 8241 4546)

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