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PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Wednesday, 26 February 2020

Members in attendance: Senators Hughes and Mr Joyce, Dr McVeigh, Mr David Smith, Mr Rick Wilson, Mr Zappia.

Terms of Reference for the Inquiry:

To inquire into and report on:

The Committee will inquire and report on the ATO Proposed fitout of 152 Wharf Street Brisbane.
WITNESSES

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HANLEY, Mr Christopher, National Director, Cushman & Wakefield
MITCHELL, Mrs Michelle, Interior Designer, Cox Architecture
PHILBY, Mr Christopher (Chris), Director, Head of Queensland, Project and Development Services, Cushman & Wakefield

Committee met at 17:42

CHAIR (Dr McVeigh): I declare open this public hearing of the Parliamentary Standing Committee on Public Works into the Australian Taxation Office's integrated fit-out of new leased premises at 152 Wharf Street, Brisbane, Queensland. I welcome representatives of the ATO. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Ms Bristow, I'll ask you to make some brief introductory remarks and then we'll proceed to questions, the first of which will obviously be from Mr Joyce.

Ms Bristow: Thank you. I'd like to thank the committee for its time today. I acknowledge the important role this committee plays in the review and transparency of public works on behalf of the Commonwealth. Today, the ATO appears in front of this committee to discuss our proposal relating to the fit-out of our offices at 152 Wharf Street, Brisbane. To provide context in relation to the proposed Wharf Street fit-out, I would first like to provide an update on the ATO's program and the broader property strategies. This context will provide greater understanding of why Wharf Street's proposal is critical to our operations.

Building on the success of the reinvention program, the ATO's focus is now on towards 2024. The next wave of change reflects the ATO's ongoing commitment to building trust and confidence in the ATO and in tax and superannuation systems by government and community. We are focused on creating a streamlined, integrated and data-driven organisation where we harness the value of data to direct our work and automate our processes, and provide well-designed client experiences. The ATO 2018-19 corporate plan was the first step in the journey and outlined our objectives to 2024. The ATO's property strategy underpins this and plays a key role in delivering on our 2024 road map. This year, we will commence and deliver some major projects in our road map. These include the final stages of Single Touch Payroll, and the renewed government commitment to task forces such as those on the black economy, corporate tax avoidance, and the ABN reforms.

As we deliver improvements to our system and increase digital interactions, we expect the client and staff experience to have some significant shifts, and, to support these shifts, we need to have workspaces that are flexible. The ATO's property strategy is designed to build on our past achievements and provide a strong foundation to deliver workspaces to meet ATO's business needs now and into the future. Our strategy seeks to optimise our workspaces to provide the right environment for our staff to thrive and succeed; to reflect our changing ways of working; to reduce property costs and increase efficiencies; and to increase building utilisation and, where appropriate, shared Commonwealth workspaces. The proposed fit-out at 152 Wharf Street, Brisbane, aligns with our broader strategies.

In response to expiring leases, together with the long-term intention to remain in the Brisbane region, we approached the market to identify options for adequate leased office space. The ATO undertook a robust and transparent process in line with the Commonwealth Property Management Framework, and the Department of Finance reviewed our cost-benefit analysis in detail. The Minister for Finance endorsed our lease proposal, which resulted in the ATO entering into a lease agreement for 24,000 square metres at 152 Wharf Street. The ATO's proposal is to fit out 17,867 square metres of the 24,000-square-metre building. The decision to lease 24,000 square metres supports the government's plan to consider leases at a whole-of-government level. The Commonwealth Strategic Property Adviser, who provides central visibility over Commonwealth leasing requirements, identified several Commonwealth leases expiring between 2021 and 2023. The advice was for the ATO to leverage their portfolio buying power to lease the full office space to enable the Commonwealth to consolidate property in the Brisbane CBD.

The building at 152 Wharf Street is centrally located, close to public transport, childcare services, retail and shopping amenities, and employment and education institutions. The location enables the ATO to leverage, source and maintain a high-quality workforce; and partner with tertiary institutions. The ATO have a strong

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history of providing sublease arrangements for other Commonwealth agencies, and we have a large property portfolio, and longstanding experience and expertise with outsourcing property management services. Since the introduction of the whole-of-government property services, we have increased our focus on optimising the benefits of the whole-of-government arrangements, and leveraging the expertise of our staff and service providers to deliver on the government's agenda. This active attention to deriving value from our property portfolio delivers a more efficient and cost-effective outcome for the ATO and the Commonwealth. Through our focus on subleasing, co-tenanting, handing-back of leases and improving the usability of our accommodation, we have reduced our vacancy rates from 20 per cent in 2015 to 12 per cent. Currently, we have over 20 sublease arrangements with various Commonwealth departments, amounting to 52,000 square metres of office accommodation.

The building at 152 Wharf Street is a 24-level commercial tower, and the ATO proposal is to fit out 14 floors. This fit-out will provide an occupational density rate that meets the Department of Finance target of 14 square metres per person. The proposed fit-out maximises value for money, as it enables the ATO to improve occupational density, provide a fit-for-purpose, flexible workspace that can respond to the changing needs of the ATO with minimal cost and disruption, and provide an approved, efficient building design that reduces operational costs into the future. The fit-out will include a range of workspaces, including a mix of traditional, agile and unallocated workstations. Meeting rooms, videoconferencing and other corporate rooms will be available, along with a range of new spaces such as informal collaboration and meeting room areas that will be supported by mobile technology.

The proposal the ATO has submitted to this committee represents a fit-out cost that is $26 per square metre above the Public Works Committee range when contingencies are excluded. The reason for this cost is the Wharf Street fit-out will include some specialised facilities that will support ATO staff to deliver current and future work programs. This includes an IT forensic laboratory, an area purpose built to support work methodology and the flow of agile development, installation of internal circular stairs focusing on staff health and wellbeing, a digital design centre that will enable the ATO to work with the public and other agencies in testing new applications, and additional physical security enhancements that support a multitenanted building. The estimated fit-out cost can be compared to a recent integrated fit-out for a similar commercial building fit-out in Brisbane and to our recent building costs in Gosford and Moonee Ponds.

From 2013 to 2020, we have delivered five major work projects and have three current projects, including this Brisbane project, in progress. None of these projects have needed to access contingency funds. As we work through our upcoming building refurbishments, including Wharf Street, we will be investigating more hybrid solutions and capturing the best offerings of the market that derive financial and non-financial benefits to the ATO and the Commonwealth. As part of this process we will engage and consult on the design of workspaces for workforces that are in each site. The ATO location strategy outlines our approach to determining the appropriate location of our functions to meet our business needs. The ATO business line realignment within the Brisbane region will mainly locate IT and data functions in the new Wharf Street building and frontline functions in our other Brisbane sites. This consolidates staff in a way that co-locates groups with the strongest career path and provides the client experience pathways.

On all of our property projects the ATO has been committed to maintaining its strong track record of engagement with the Indigenous and local business sector. The ATO actively promotes and facilitates engagement of Indigenous business and local business. In the first six months of this financial year we've invested $20 million in contracts with Indigenous business. Our commercial partnerships are supporting sustainable benefits through Indigenous employment, business growth and community investment. At our Gosford site, approximately 50 per cent of the contract value let on the base building procurement was awarded to local Gosford or Central Coast businesses. We will promote the engagement of Indigenous businesses and local businesses for 152 Wharf Street.

We see this proposal represents a good outcome for the Commonwealth. It secures a sustained presence in Brisbane for the ATO and the Commonwealth and represents a strong value for money outcome. Again, I would like to thank the committee for its time today and I welcome questions about the project.

Mr JOYCE: I hear what you're saying about the content and the local tradesmen at Wharf Street. Did you do a comparative analysis of the cost per square metre at Wharf Street as opposed to the cost per square metre if you did a similar project in Toowoomba or Rockhampton or Mackay or somewhere else?

A lot of your work is online. Did we ever even give a thought to whether some of it could have been done in a regional area at a cheaper cost and as a great assistance to that regional economy?
Ms Bristow: In regard to the cost, we haven't done a cost analysis on this particular building in a regional area, but I can say that the ATO, under its location strategy, is committed to regional Australia.

Mr JOYCE: Whereabouts?

Ms Bristow: Currently we have sites in Albury, Gosford, Newcastle, Townsville, Burnie and Geelong. In Townsville, for example, we've just recently leased a purpose-built building that's been developed for our Townsville site. We're moving into that building and we'll have 310 staff moving. We've signed a 10-year lease there.

Mr JOYCE: That's very good. I appreciate that. I'm not being flippant. Townsville has got about 180,000 people. Gosford is really not a long way from Sydney. Newcastle is bigger than Townsville. There would be about 300,000 people there. Burnie—yes, that's a fair call. But I'm thinking about: did you look at second-tier regional cities? We're always trying to develop them. I know you mightn't be doing all of it there, but you might be able to say: 'That section could go to Emerald'—there's no reason that it couldn't, it's where you're online—'or that section could go to Dubbo or Geraldton.' An awful lot of tax revenue comes out of regional areas, so it makes sense that regional people would like to see at least some of that administration and revenue go back into regional areas. Did you ever go through a process of delineating what is essential that it's at Wharf Street because it just won't work anywhere else and what is transferable to another region? If it was transferred, maybe we wouldn't need 14 floors. Maybe we'd only need seven, and we'd probably save a fair bit of money on the way through.

Ms Bristow: The reason we're looking at Wharf Street is that we have three other sites within the Brisbane region, and one of those sites, which is Chermside, will be closing, and those staff will be moving into our Wharf Street building. We had two leases expiring within the Brisbane region, the Upper Mount Gravatt building and the Chermside building, and there was no extension on the Chermside lease. We were able to extend the Upper Mount Gravatt lease, so that's why we're looking at this building in Wharf Street. At the same time, we're consolidating our information technology and data people who are at other buildings in the Brisbane region into this new Wharf Street building.

Mr JOYCE: Can I ask—it's on behalf of regional people and so it's not unusual what I'm saying; I think people probably expect it—if we can, in this process, say: 'Let's have a look and see the cost per square metre at Wharf Street?' I imagine it would be a pretty premium price because it's a really good location. I know Brisbane very well, having been a senator there. And you could say: 'Let's chance our arm. Let's cost it. What's office space in Tamworth worth? What's office space in Orange worth? What's office space in Toowoomba worth?' Then you would be able to show us that, with this, it was considered and looked at and was accepted on these conditions or rejected for these reasons. Then we'd have the capacity to go back to the Australian people and say: 'They do look at it and they do consider it.' We're getting the same questions with super. People say: 'You take all our super out of regional areas but you don't invest it back in regional areas. You take our tax revenue out of regional areas but we don't see it going back to regional areas. We've got people who need a job just like Sydney does. We've got tradesmen who want a job just like Brisbane does.'

Ms Bristow: I think one of the key things with regards to regional areas—I will just highlight some of what we've done there. Since 2013 we've seen a significant reduction in our headcount at the ATO. Proportionally, the majority of that has been in our CBD sites, especially in Sydney, Canberra and Melbourne. That's really the focus, as part of the government's decentralisation agenda. Since that time, we've actually seen an increase proportionately, as the whole number of our staff within regional within our regional sites, of 1.2 per cent. So where we've seen CBD sites decrease we've actually seen our regional sites increase. Our location strategy really looks at these regional sites, and it pairs up how we actually have our commitment to accessing taxpayers, looking at talent that we can get in those regions and then providing them a career progression in that region as well.

Mr JOYCE: I suppose what I'm saying is there are regional cities, like Newcastle and Townsville. Townsville is the biggest city in northern Australia. And then there is what I'd say is the next tier down. We spent billions of dollars on the NBN and everything like that. There should be the capacity to utilise that. Otherwise, why on earth would we do it—if it hasn't had that sort of payoff of being able to locate into places smaller than a 100,000 plus city or a 200,000 plus city? You can't put it into Bolong or something, but if you've got 15,000 to 20,000 people in a town then you've probably got the competency and the draw to do a section of this work, and let's see if we can do it. Let's see if we can make it work. We can chance our arm, and if it works we can expand. If it doesn't work, take them back to Wharf Street.

CHAIR: I endorse Mr Joyce's comments there. I'd just like to ask a question about the end of lease at Chermside and then relocating those people into the CBD. Chermside is obviously a significant northern suburb. It's a reasonable commute during commute times to the CBD. That's an interesting decision. Were there no other
options in those northern suburbs such as Chermside in terms of office space? I think most people in Brisbane are familiar with the building there at Chermside.

Ms Bristow: We had both our Upper Mount Gravatt and Chermside leases expire at the same time. In 2017 we went out to market and we looked at both Chermside and Upper Mount Gravatt and a number of regions across Brisbane. We weren't able to source accommodation that met our requirements within the Chermside region, and we had no further options on the lease that we had with Chermside.

Mr JOYCE: You can renew it.

Ms Bristow: No, we'd already had all our options, so we weren't able to renew the lease. We had to go back out to market.

CHAIR: So the owner of the building at Chermside, whoever that is, didn't want to sign another term with the ATO?

Ms Bristow: I'd have to take that in-camera, because that is commercial-in-confidence.

CHAIR: Understood. There are some obvious questions about consultation with staff moving from Chermside into the CBD, but I'll go to Mr Smith

Mr DAVID SMITH: Thanks. My questions are probably going to relate to the fact that I've been up and down stairs 20 times today. With the internal stairways that are being proposed, if you didn't go ahead with those internal stairways what difference would that make in terms of the availability on each floor affected? How many floors are affected by the plans for interconnected stairways, and what would be the difference in terms of meterage per floor?

Ms Bristow: All 14 floors at Wharf Street would have the internal circular stairs. Regarding the meterage that would be impacted, I don't have that on hand. I'll hand over to Chris from Cushman and Wakefield if they have that information available, or we might need to take that on notice and get back to you.

Mr Philby: I don't have an exact square metreage. It isn't space that you would be paying rent on, but it's subject to the more detailed design development. It may grow; it may shrink.

Mr DAVID SMITH: I'm happy for you to take it on notice. The obvious issue is that it's an opportunity cost, in terms of the options that you might use, in terms of that space that you might potentially have been able to use otherwise for workstations. It probably wouldn't have been anywhere near as attractive, but I'd still appreciate it if you could take that on notice.

Mr Hanley: I can provide some colour on that. The maximum area for each void prescribed in the lease is 15 square metres per floor.

Mr DAVID SMITH: One workstation pretty much, roughly.

Ms Bristow: Yes. But what we do find with the circular stairs is that staff use them, rather than lifts, to go between floors. So it's really looking at a health and wellbeing opportunity for our staff.

Mr DAVID SMITH: You must have fire stairs as well between floors.

Ms Bristow: We do have fire stairs, which they can use. But, obviously, fire stairs, being concrete stairs, aren't always that—

Mr DAVID SMITH: It's not as uplifting, in terms of the journey you might have.

Senator HUGHES: I think it's more the high heels!

Ms Bristow: Yes. The concrete stairs are not good for high heels.

Senator HUGHES: You see, that's why they need a woman in here!

Mr DAVID SMITH: Thanks for providing the engineering advice!

ACTING CHAIR (Mr Zappia): Can I just get something clear? You're currently operating from four sites?

Ms Bristow: Three sites in Brisbane, and then we have Townsville as a regional site in Queensland.

ACTING CHAIR: And you'll be consolidating three of those sites—or will it be the four?—into this.

Ms Bristow: We've got 55 Elizabeth Street in Brisbane. We'll be keeping that site. We have the Upper Mount Gravatt site. We're keeping that site, and we've got a lease extension on that until 2026. We will be closing the Chermside site when the new site opens at Wharf Street. So we'll still have three sites within the Brisbane region.

ACTING CHAIR: Your current lease, which I thought you said was about to expire, will carry you through till when this is ready?

Ms Bristow: The lease will expire in time with when the new building will be available to us.
**ACTING CHAIR:** Does this proposition mean that you will have vacant floor space anywhere after you've moved in to this building?

**Ms Bristow:** When we move in to the building, there will be floors vacant in the building, because we're looking at subleasing those to other Commonwealth agencies. We're working with the whole-of-government property adviser to make those arrangements occur. We will have small vacancies both within our Upper Mount Gravatt building and in our Brisbane Elizabeth Street building, but that would be what we would expect as people move around and leave the organisation or take time off. That would be the only vacancy we'd be looking at, and we'd be well within the government range of vacancies.

**ACTING CHAIR:** Is the floor layout for this building very similar to Moonee Ponds, or is it different?

**Ms Bristow:** As in the—

**ACTING CHAIR:** The layout of the open space plan.

**Ms Bristow:** The workspaces?

**ACTING CHAIR:** The workspaces.

**Ms Bristow:** We haven't put together what the layout or the workspaces will look like in this building, because we need to go and consult with our staff to understand what they want, and then, obviously, we do a detailed consultation process with them. What we are offering is three different types of workspace within this building. We're looking at the allocated, the unallocated and the agile workspace. That's the feedback that we've got generally from our staff that are looking to move into Wharf Street. But, obviously, once it goes through the Public Works Committee, we'd be looking at then doing that detailed engagement and consultation with our staff to understand what the workspaces and fit-out will look like.

**ACTING CHAIR:** I'm sorry, we're going to have to adjourn for a division.

**ACTING CHAIR:** We'll start if everyone's ready. How many staff will be working at the new site?

**Ms Bristow:** We'll have 1,115 staff working at the new site.

**ACTING CHAIR:** And will that staff come from existing sites?

**Ms Bristow:** That's correct.

**ACTING CHAIR:** The full complement?

**Ms Bristow:** The full complement will come from existing sites, and then, based on attrition, we would recruit to keep that site up to that level.

**ACTING CHAIR:** Okay. So how many staff from the existing sites does the department have currently?

**Ms Bristow:** How many staff do we have at each site?

**ACTING CHAIR:** Or in total.

**Ms Bristow:** At the moment, we have 778 staff at Chermside, we have 1,063 staff at UMG and we have 1,228 staff at 55 Elizabeth Street.

**ACTING CHAIR:** So that's, what, nearly 3,000 staff? It's around that.

**Ms Bristow:** Yes.

**Mr JOYCE:** So you've got 1,000 at 55 Elizabeth Street and another 1,150 in this new site.

**Ms Bristow:** That's correct.

**Mr JOYCE:** Two thousand two hundred staff floating around in the centre of Brisbane.

**Ms Bristow:** That's right.

**ACTING CHAIR:** I'm trying to get my head around why we're doing this when we're still maintaining offices elsewhere and at the same time getting involved in a brand new—sorry, we have to suspend for a division.

**ACTING CHAIR:** I was asking questions about the number of staff. I guess my next question, therefore, is: if we're going to go to a new building and do all this fit-out why would we not consolidate even more staffing into it? Find a location where we can do that. It seems that we're still going to be left with three locations.

**Ms Bristow:** We still have three locations. One of the reasons for that is we're looking at having a location in the Brisbane suburbs, which is Upper Mount Gravatt. We had the opportunity to renew the lease on that building, although we're leasing less of the building than we were previously, and the outcome of that was very favourable.
To support staff to be closer to their workplace, which is a suburban area, we looked at renewing Upper Mount Gravatt. Then we looked at the Wharf Street building as being mainly our information technology and data staff, and the majority of those will move in from Chermside, with some from Upper Mount Gravatt and our other Brisbane site, so that we fill the building.

**ACTING CHAIR:** If we're going to do that and we're not going to consolidate everybody, then the question comes back to what Mr Joyce was asking: would there not have been a location where you could do this at a better price?

**Ms Bristow:** No, there wasn't. We can provide that information in camera and the details around how we came to that conclusion through the process when we went to market.

**Mr JOYCE:** If I may be so bold, why do you need to be in Wharf Street?

**Ms Bristow:** The reason that we're looking at Wharf Street is that it was best option. It was the outcome of the process when we went out to market. Wharf Street provided the most cost-effective option that delivered the outcomes not only for the ATO but for the whole of government property.

**Mr JOYCE:** What was the criteria you looked at when you did that assessment? Did you say: we're going to look for office capacity throughout Queensland, throughout Australia or throughout the Brisbane CBD?

**Ms Bristow:** When we went out to market we looked for suitable office accommodation from 9,000 square metres up to 24,000 square metres in Brisbane CBD, the outer suburbs of Brisbane and also Chermside and Upper Mount Gravatt.

**Mr JOYCE:** So you looked at Brisbane CBD out—

**Ms Bristow:** The fringe suburbs of the CBD as well as the Upper Mount Gravatt regions, so not just specifically Upper Mount Gravatt; a number of suburbs around that area, and the same with Chermside.

**Mr JOYCE:** Because you're constructing this building, it could've been constructed anywhere.

**Ms Bristow:** So we're not constructing it.

**Mr JOYCE:** You're going into a new building; it's not like there's some new set-up.

**Ms Bristow:** No, we're going into a new building.

**Mr JOYCE:** So someone's constructing it. The site is bigger. They could've just had a building just with you in it as the tenant. What are the lease payments you're going to pay on this, or haven't you determined that yet?

**Ms Bristow:** I can't discuss the lease payments on camera.

**Mr JOYCE:** You'd discuss them in camera. You can see where we're coming from. We're trying to work out whether the taxpayer has got value for money out of this and whether there's been proper due diligence or, to be quite frank with you—we've got to answer for it, right? We've got to answer for: you're constructing a castle, a nice place in the centre of town, because that's where you prefer to be because it's pleasant. That might be the case but we, this committee, will get hauled over the coals unless we can get a clear explanation from you as to why. The question's going to be asked of us—and I can tell you the obvious one—it was in Chermside; why is it not still in Chermside? Why don't you find another building in Chermside, even if it's not in a regional area? Why isn't it out in the suburbs? There are people in regional areas who'll say, 'I bet they never even took us seriously in their assessment of areas.' If you offered to lease to someone in Rockhampton, they'd jump 20 feet high trying to get hold of it. That would be a huge stimulus to their area. The same could be said of MacKay and probably Gympie, or if you went inland to Toowoomba or Emerald.

**Ms Bristow:** We get the point.

**Mr JOYCE:** How do we explain that to them?

**Ms Bristow:** I think there are two points around that. The staff that we're moving into Wharf Street are ongoing staff with the ATO. If we made decisions, as you've outlined, to move outside of where we currently work, we would have to make considerations for all of those staff that were employed in those roles.

**Mr JOYCE:** You've come from Chermside. Surely they'd prefer to stay at the very least near where they work in Chermside rather than play traffic into the centre of town in one direction and traffic out of town the next. They're probably living around Chermside.

**Ms Bristow:** Part of our assessment is where the demographics of our staff are and how they actually can move from one building to the other; what that looks like with public transport; and what it looks like if they're going to drive in. That's all taken into account. With regard to Chermside, we didn't have any options to renew the lease because it was the end of lease. It was the end of all of our options, and there were no other suitable buildings within that particular region.
Mr JOYCE: They're going to build this building. Did you look at the options for someone building a building at Chermside?

Ms Bristow: Yes.

Ms Bristow: When we went out to market, the option was an existing building or a purpose-built building. So it could've been either, but they have to meet the criteria that we have that we've set for all of our ATO buildings around what we require in our base building. We didn't have any options within the Chermside region.

Senator HUGHES: Can I just jump in on the back of you and the questions that you've been asking. I just think the other question we're going to get is why we've got an Elizabeth St and a Wharf St office and why we're aren't just—700 staff seems to be the gap of who's currently in Chermside and who's currently in Elizabeth and your number of how many you can have in Wharf St—moving everyone to Wharf St rather than having two buildings in Brisbane? I don't know how far away they are from each other in Brisbane, but I can't imagine they're particularly—that's what I mean. Why are we going to have two Brisbane offices, particularly if this is basically a purpose-built building.

Mr JOYCE: And you've got 10 floors up your sleeve.

Senator HUGHES: And why wouldn't you have everyone go to the new building so that you've just got one in Brisbane and you're up in Mount Gravatt?

Ms Bristow: We have a lease already on our Elizabeth St building in Brisbane. That lease doesn't expire until 2028, so financially it wouldn't be the most cost-effective for government if we actually broke the lease. There's a whole range of issues that come with that, so we aren't able to do that.

Senator HUGHES: But even if you kept the lease until 2028 and had this purpose-built building done that could then eventually house everyone so that when the lease does expire you moved them all over, could you, as you were saying, lease the space to other government departments in the interim couple of years?

Ms Bristow: That may happen. What happens when our leases come up for expiry—

Senator HUGHES: But you don't if you only have 1,115 staff—

Ms Bristow: We've got—

Senator HUGHES: that you're planning in Wharf Street. Or is there capacity to build on that?

Ms Bristow: Yes. We have modular arrangements that will seat up to 1,2000 staff within the Wharf Street arrangements, so we're bringing in the 1,115 at this time. We've said that we'll build Wharf Street so we're able to make changes within the accommodation as required. Therefore, it's a lot more flexible and it means a minimal cost to make changes to bring more people into the building.

Senator HUGHES: So you could go up to 2,000 staff?

Ms Bristow: Yes. And there'd be opportunities on some of the floors that we sublease. We would look at only offering those until 2028, when we know that the Elizabeth Street lease will be up for review.

Senator HUGHES: Is that an active part of the consideration, that there will be a consolidation—if you're going to have an office in Brisbane, that you're only going to have one?

Ms Bristow: Yes, that's also part of what we've looked at when considering Wharf Street. We've looked at what the workforce will look like in eight years time and how we would then be able to support it within the Wharf Street building.

Mr JOYCE: Can you run through this with me? When we went through the criteria, I heard that this was the place that came up first, but let's flesh it out. What are the criteria? Who did the assessment? What was the ruler that you ran over this with to make these decisions? How many people are on this panel that assessed it? What were the factors that were part of that? What was ruled in and what was ruled out? How many applications did you get? Can you just flesh some of that out?

Ms Bristow: I'd have to provide some of that information in camera, and some of that information is commercial-in-confidence so I'd have to take it on notice and look at what I could provide you with around the tender process.

Mr JOYCE: Okay. So I'll put a question on notice. I want to know who was on the assessment panel. What was the process for how the assessment panel worked? How many times did they meet? What was the criteria that was set out for them to go through that assessment process? How many possible developers were spoken to about doing this? They're the logical things you'd think we'd ask—there's nothing really exceptional in that.

ACTING CHAIR: I think you've probably got the gist of what we're trying to find out. Before we close this part of the public meeting, I'll ask this question; the staff members that are going to be relocated are going to be
pretty much in the heart of the CBD—and excuse my ignorance but I'm not that familiar with Brisbane—will they have access to car parking and do they currently have access to car parking where they're working?

**Ms Bristow:** The staff will come from UMG and Chermside, and some staff from the other Brisbane site. My understanding is that they have access to car parking in UMG and Chermside, but that is paid car parking. As with every office building, there are a normally car parks near this building. So they would pay for it; the ATO doesn't pay for their car parking.

**ACTING CHAIR:** Right. Can you tell us what the rates are compared to what they will probably have to pay in the CBD?

**Ms Bristow:** I wouldn't be able to tell you that, but I can take that on notice.

**ACTING CHAIR:** I'd appreciate it if you would. There being no other questions, I'll close this part of the meeting and thank all of you for your attendance. You will get a written transcript of the discussion today. If you feel that any changes need to be made to that, please advise the secretariat as soon as possible. I declare this public hearing closed.

*Committee adjourned at 18:44*