

GOVERNMENT OFFICE ACCOMMODATION — GOVERNOR STIRLING TOWER

108. Hon SUE ELLERY to the Minister for Finance:

I refer to the government's decision to move government offices out of Governor Stirling Tower.

- (1) Has the government been advised by the owner of the property that the government offices can remain in Governor Stirling Tower beyond the lease date; and, if so, for how long?
- (2) Has the government been advised that Governor Stirling Tower is being progressively refurbished, allowing government officers to remain in the building?
- (3) What was the cost of installation of the fibre-optic cable between Parliament House, Governor Stirling Tower and Allendale Square?
- (4) What is the cost of installing new fibre-optic cable to service the new government offices put in place as a consequence of the move out of Governor Stirling Tower?

Hon SIMON O'BRIEN replied:

I thank the honourable member for some notice of this question.

- (1) In 2009, a procurement process was undertaken to lease replacement space for Governor Stirling Tower in the central business district. This procurement process was aborted when the negotiation with the preferred proponent—that was the previous owner of Governor Stirling Tower—was unsuccessful. At that time, the price being requested was over \$750 per square kilometre.

Hon Ken Travers: Per square metre!

Hon SIMON O'BRIEN: Per square metre.

Hon Ken Travers: Seven hundred and fifty per square kilometre is cheap!

Hon SIMON O'BRIEN: It was well over \$750 per square kilometre, but the specific price was in the vicinity of \$750 per square metre!

The government office accommodation master plan was then developed. This included the leasing of replacement space for Governor Stirling Tower at 140 William Street, Perth, and the Optima Centre in Osborne Park. The cost of this replacement space averaged \$520 per square metre, which was a significant saving on the previous negotiation with the owner of Governor Stirling Tower.

Negotiations have commenced with the new owner of Governor Stirling Tower for a short-term lease extension over two floors of the building associated with the proposed relocation of the Premier and Cabinet secretariat to Hale House. The new owners have recently advised that they are planning to refurbish the building upon expiry of the current lease in June 2012, and would consider a longer term lease following completion of the building refurbishment, which would require the government to undertake a completely new fit-out at its own cost. However, that is no longer an option, as replacement space has already been procured.

- (2) Yes. This is a change in approach from that of the previous owner. The previous owner ultimately wanted government to vacate the building, and this necessitated procurement processes for replacement accommodation. These processes were undertaken and completed prior to the change in ownership and the approach of refurbishment.
- (3) The cost was approximately \$173 000. This investment is not made redundant by the move of government out of Governor Stirling Tower, as other government agencies are located along and near St Georges Terrace.
- (4) There is no installation cost.