

LANDGATE OFFICES — SALE

**1395. Hon NEIL THOMSON to the Minister for Finance:**

I note the responses to questions without notice 278, asked on 21 March 2023, and 1332, asked on 1 December 2022, relating to the sale of the Landgate building in Midland; and I refer to pages 89 and 135 of Landgate's *Annual report 2022–23*, tabled on Tuesday.

- (1) Can the minister explain why an additional \$2.88 million was required for rent of the Landgate building in 2023, when the state had already agreed to fire sale terms?
- (2) Which agreement negotiation, as described in the annual report, requires this additional payment?
- (3) Is the \$2.88 million required for rent in 2023 the only additional payment required to be made to the purchaser following negotiations?
- (4) Will the minister table the state's full liability following the sale of the Landgate building for the life of the negotiated agreement?

**Hon SUE ELLERY replied:**

I thank the member for some notice of the question.

- (1)–(4) The value proposition for the 1 Midland Square transaction under the market-led proposals process remains unchanged, avoiding costs of \$12 million in net present terms over the life of the lease. Approval of the 1 Midland Square project included funding required for Landgate's temporary leased accommodation while the building is being refurbished. There has been no lease renegotiation or change to lease costs since the government's approval in November 2021. The Department of Finance understands that the lease agreement referred to in the Landgate annual report is the memorandum of understanding between Finance and Landgate. As part of standard leasing procedures, Finance enters into a lease agreement with the landlord and, subsequently, an MOU with the occupying agency, which in this case is Landgate. Lease liabilities for all minister for works leases that Finance manages, including 1 Midland Square, are included in Finance's annual report.