



**COMMONWEALTH OF AUSTRALIA**

ELIZABETH THE SECOND, by the Grace of God Queen of Australia and Her other Realms and Territories, Head of the Commonwealth:

TO:

THE HONOURABLE TREVOR REES MORLING

GREETING:

WHEREAS it is desired to have an inquiry into matters relating to the leasing by the Commonwealth of accommodation for the Australian National Audit Office in Centenary House at Barton in the Australian Capital Territory:

NOW THEREFORE We do by these Our Letters Patent issued in Our name by Our Governor-General of the Commonwealth of Australia on the advice of the Federal Executive Council and in pursuance of the Constitution of the Commonwealth of Australia, the *Royal Commissions Act 1902* and other enabling powers, appoint you to be a Commissioner to inquire into:

- (a) the role of the Australian National Audit Office (the ANAO), the Australian Property Group (the APG), the Australian Valuation Office (the AVO), the Australian Estate Manager, the Department of Finance and any other agency considered relevant, in the lease of Centenary House to the Commonwealth, and in particular, addressing the following matters:
  - (i) the appropriateness of tender and selection processes followed in identifying suitable accommodation for the ANAO, with specific reference to the selection of Centenary House;
  - (ii) whether the processes followed by the ANAO, the APG, the AVO and the landlord, individually and collectively, resulted at that time, or at any time might result, in any party to the lease for Centenary House obtaining unfair and/or above market commercial advantage from any aspect of the arrangement;
  - (iii) whether the instructions of ANAO to the APG, as regards the accommodation options, enabled the APG to test a sufficiently wide market so as to enable the APG to pursue a truly competitive lease arrangement;
  - (iv) whether all the Commonwealth agencies concerned acted in accordance with the Government policies applying at the time;

- (v) whether the APG, as the Commonwealth's property agent, fulfilled its responsibility to the ANAO, including in relation to the establishment of the lease terms;
  - (vi) whether, taking into account the nature and effect of the resource agreement between the ANAO and the Department of Finance in relation to the financing of the lease, appropriate steps were taken by the ANAO and the Department to ensure that the ANAO could fund the lease commitments on Centenary House and meet its other obligations;
  - (vii) whether all of the Commonwealth agencies involved acted in the best interests of the Commonwealth, including so as to achieve value for money;
  - (viii) the longer term funding implications for the ANAO of the Centenary House lease;
  - (ix) the options available for action in relation to the funding of the Centenary House lease; and
  - (x) any other matters considered relevant to the public interest in the matter; and
- (b) whether any changes to existing arrangements are necessary or desirable to avoid similar occurrences in the future:

AND We require you as expeditiously as practicable to make your inquiry and, not later than 9 August 1994, to furnish to Our Governor-General of the Commonwealth of Australia the report of the results of your inquiries and such recommendations as you consider appropriate.

WITNESS the Honourable William George Hayden,  
Companion of the Order of Australia, Governor-General of the  
Commonwealth of Australia on 16 May 1994.

Governor-General

By His Excellency's Command

Minister for Finance  
for the Prime Minister