



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

Proposed Sale of Wilkinsons Point

Members of the Committee

Legislative Council

Hon Ruth Forrest MLC
(Chair)

Hon Luke Edmunds MLC

Hon Bec Thomas MLC
(Deputy Chair)

House of Assembly

Mr Rob Fairs MP
(from 11 August 2026)

Mr Roger Jaensch MP
(until 17 June 2026)

Mr Marcus Vermey MP

Mr Dean Winter MP

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Charter of the Committee

The Public Accounts Committee (the Committee) is a Joint Standing Committee of the Tasmanian Parliament constituted under the *Public Accounts Committee Act 1970* (the Act).

The Committee comprises six Members of Parliament, three Members drawn from the Legislative Council and three Members from the House of Assembly.

Under section 6 of the Act the Committee:

- **must** inquire into, consider and report to the Parliament on any matter referred to the Committee by either House relating to the management, administration or use of public sector finances; or the accounts of any public authority or other organisation controlled by the State or in which the State has an interest; and
 - **may** inquire into, consider and report to the Parliament on any matter arising in connection with public sector finances that the Committee considers appropriate; and any matter referred to the Committee by the Auditor-General.
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Abbreviations and Acronyms

Act	<i>Public Accounts Committee Act 1970</i>
Committee	Parliamentary Standing Committee of Public Accounts
COVID	Corona Virus Disease
DEC	Derwent Entertainment Centre
DPAC	Department of Premier and Cabinet
DSG	Department of State Growth
GCC	Glenorchy City Council
MLC	Member of the Legislative Council
MP	Member of Parliament
MSBA	MyState Bank Arena
NBL	National Basketball League
PCA	Property Council of Australia
RTI	Right to Information

Executive Summary

The Committee's inquiry into the proposed sale and redevelopment of land at Wilkinsons Point examined the evolution of the proposal, commitments arising from the 2020 term sheet, the governance and decision-making processes adopted by Government, and matters identified by the Auditor-General. Evidence received from the Premier, departmental officials, the LK Group, the Valuer-General, Glenorchy City Council (GCC), Treasury and the Property Council of Australia (PCA) demonstrates that, despite more than six years of negotiations and repeated announcements that the Government had agreed to sell the land to LK Group, no binding agreement for the sale of land at Wilkinsons Point has been executed.

At the time of the Committee's April 2026 hearings, negotiations were in abeyance, with no substantive engagement since a brief meeting between the then Department of State Growth and LK Group in January 2026. The Committee has since been advised that the Department of Premier and Cabinet and Building Tasmania re-engaged with LK Group from May 2026, with an initial meeting in June to arrange a more formal meeting that was held in July 2026. According to the Hon Felix Ellis MP (Minister for Business, Industry and Resources), the discussions at the July meeting covered the master plan, site activation and how the precinct might integrate with Dowsing Point.

The inquiry found that the proposal originated through a GCC-led, time-limited exclusive negotiation process before transitioning to the State Government following the Government's acquisition of the Derwent Entertainment Centre (DEC) and surrounding land from GCC in 2020. Evidence indicated that the proposed land sale formed part of a broader package associated with the establishment of the Tasmania JackJumpers, redevelopment of the DEC (now MyState Bank Arena) and the proposed redevelopment of surrounding land. Witnesses consistently emphasised that the land sale component remained contingent on further negotiations and development arrangements rather than representing a completed transaction.

The Committee heard the proposal had evolved significantly since it was first conceived in 2018. Changes have included the relocation of the Tasmania JackJumpers high-performance training centre and the Glenorchy community multisport facility away from the site, repeated revisions to the draft master plan, and ongoing consideration of transport, parking, ferry infrastructure and land subdivision arrangements. Departmental evidence indicated that a draft master plan was substantially developed but had not been finalised when negotiations were paused. Evidence from GCC confirmed that no development application has been lodged and key planning matters remain unresolved.

A central theme throughout the inquiry was the substantial cost and complexity of making the site development-ready. Witnesses identified site contamination, flooding, servicing, transport access, parking and infrastructure requirements as major constraints. Infrastructure estimates ranged from approximately \$23 million, associated with the planned community basketball court proposal, to departmental assessments approaching \$100 million when multistorey car parking, realignment of Loyd Road and utility connections are included. LK Group estimated these costs at roughly half the departmental figure. Car parking scope and the realignment of Loyd Road remain the principal points of disagreement. Despite years of negotiation, there is still no agreement on how these costs would be shared between the State and the proponent.

The Committee also considered concerns regarding transparency and the sale process. The proposed sale did not involve an open market process, expression of interest or other competitive test of value. The PCA told the Committee that public land of this significance would ordinarily be subject to such a process to establish best value. It also emphasised that value should not be judged on sale price alone. Infrastructure liabilities, development guarantees and the Government's broader policy objectives, such as housing delivery, should also be weighted.

The Committee examined the significant process failures identified by the Auditor-General. There was no business case underpinning the 2020 decision to progress the sale. As a result, project scope was never clearly defined, key risks went unaddressed for years and implementation was reactive. More than six years after negotiations commenced, the parties had not progressed beyond the first step of the legislated Crown land disposal process: agreement on a master plan.

The Auditor-General also found that the Valuer-General's valuation report was shared with LK Group in October 2024, contrary to the Valuer-General's advice that it ought not be shared. That decision was made by staff in the Premier's Office, based on an incorrect view that no active negotiations were under way. Ministerial staff are not delegated under legislation to direct State servants. The Valuer-General confirmed to the Committee that he had advised against disclosure because it was not best practice and could advantage a potential purchaser. The Committee also heard that the 2024 valuations and subsequent addenda are now out of date. A new valuation would be required before any sale could proceed.

The Committee also considered how the status of the proposal has been represented publicly. In a February 2025 media release Hon Jeremy Rockliff MP (Premier) announced that the Government had agreed to sell the land to LK Group. Departmental evidence confirmed that this announcement reflected only the preparation of a non-binding, short-form term sheet, and LK Group confirmed there are no commitments on either party. The inconsistency between public announcements effectively suggesting a deal was done and the actual legal position has contributed to confusion about the status of negotiations.

A significant new matter emerging during the inquiry was the strategic relationship between Wilkinsons Point and the adjacent Commonwealth-owned Dowsing Point site. Several witnesses, and the Premier, supported integrated planning across the combined area of approximately 45 hectares of strategically located land. Evidence indicated that the potential future availability of the Dowsing Point land could materially alter the strategic context in which decisions about Wilkinsons Point are made. For this reason, the Committee's recommendations extend beyond Wilkinsons Point in isolation to an integrated approach to both sites.

The Committee also examined the lease arrangements for MyState Bank Arena. The lease sets a base rent of \$200,000 per annum, adjusted for CPI. However, the State also pays LK Group's operating entity an annual CPI-adjusted Hiring Fee Contribution of up to \$175,000 to support community access to the venue. As a result, the net return to the Crown is under \$30,000 per year. No percentage rent has been paid under the lease since it commenced.

The Committee further noted evidence provided to the Public Works Committee on 7 December 2020 did not make any mention of the State's obligation to pay an annual CPI-adjusted Hiring Fee Contribution of up to \$175,000 to support community access thus overstating the revenue and failing to disclose the hiring fee contribution provisions in the Lease Agreement that resulted in a reduced rate of return.

Notwithstanding differing views on the process followed to date, witnesses broadly agreed that Wilkinsons Point is a strategically significant waterfront site with substantial redevelopment potential. The Committee heard evidence of opportunities for economic development, private investment, tourism, housing and urban renewal. At the same time, substantial questions remain regarding governance arrangements, infrastructure costs, development obligations, valuation, public benefit and value for money.

Overall, the evidence received by the Committee demonstrates that the proposed sale of land at Wilkinsons Point remains unresolved. There is currently:

- no binding sale agreement
- no final master plan
- no current market valuation suitable for transaction purposes
- no completed subdivision framework, and
- no settled agreement regarding infrastructure obligations.

The Committee made eleven (11) findings and nine (9) recommendations. In summary, the recommendations call on the Government to:

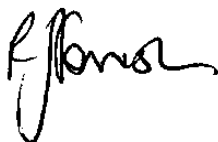
- Prior to 30 November 2026, table in both Houses of Parliament a report on the proposed sale of land at Wilkinsons Point that sets out:
 - the status of negotiations
 - any revised development proposal
 - estimated public costs, and
 - progress on Auditor-General recommendations.
- Commission an assessment of the infrastructure and servicing requirements to inform an integrated masterplan for Wilkinsons Point and Dowsing Point.
- Prior to the finalisation of any binding agreement for the sale of Crown land at Wilkinsons Point:
 - a master plan be finalised with details to clearly identify:
 - all projected public costs and benefits
 - proposed sale terms including obligations of the purchase
 - details of the land to be transferred/sold
 - infrastructure requirements including site preparation, remediation and staging
 - economic impact assessments; risk assessments, and a community benefits analysis.
 - engagement with Glenorchy City Council on the masterplan and sale terms to ensure alignment with strategic objectives for the area also be undertaken prior to finalisation, and

- a copy of the proposed binding agreement for the sale of Crown land at Wilkinsons Point be tabled in each House of Parliament at least 30 days before the agreement is signed by any party.
- Through Building Tasmania, the Government ensure all future negotiations involving significant State assets, including Crown land, are supported by formal governance arrangements, including a comprehensive business case for any significant unsolicited land sale or development proposal.
- Review the existing statutory framework particularly the *Crown Lands Act 1979* with a focus on the provisions for the disposal of surplus Crown land.
- Strengthen protocols governing the disclosure of valuation reports and other commercially sensitive material to prospective purchasers, and clarify that Ministerial staff cannot direct departmental action outside lawful delegated authority.
- Ensure any future term sheet or agreement clearly allocates infrastructure cost responsibilities between the State and the developer, and is not publicly described as an 'agreement' unless it is legally binding
- Any disposal (sale, long term lease, exchange or donation) of a significant public asset to a private entity require the transparent and full disclosure of risks and liabilities to the State, and
- The Lease between LK Group and the Crown regarding MyState Bank Arena be reviewed as soon as practicable.

This Inquiry has exposed serious and long-standing failures in the management of a significant public asset: no business case, no agreed master plan, no market testing, and disregard for the Valuer-General's advice on disclosing valuation information.

The Committee notes that negotiations with LK Group have recommenced without these deficiencies being addressed. Proceeding on that basis would repeat, not remedy, the failures identified in this Report.

The Committee calls on the Government to pause negotiations until it responds to Recommendations 1 to 3 of this Report.



Hon Ruth Forrest MLC
Chair

1 October 2026

Summary of Findings

The Committee made the following findings:

Area	Finding
Current Status of the Proposed Sale of Wilkinsons Point	F1. Despite more than six years of negotiation between the State Government and LK Group, no binding sale and development agreement for Wilkinsons Point has been executed. F2. At the time of the April 2026 hearings negotiations between the Government and LK Group were in abeyance, with no substantive engagement since a brief meeting in January 2026. Media reports on 19 August 2026 indicated engagement between the parties had re-commenced.
How the Plans for the Site Have Evolved and Stalled	F3. The proposal for the sale of land at Wilkinsons Point has changed substantially since it originated in 2018, including the relocation of NBL high-performance facilities and the Glenorchy community multisport facility, and repeated revision of the draft master plan. F4. Infrastructure cost estimates have varied dramatically between the parties with departmental estimates approaching \$100 million, and LK Group estimates of roughly half that figure - with car parking scope and the realignment of Loyd Road as the principal unresolved issues. F5. No agreement exists on how infrastructure costs are to be shared between Government and LK Group, notwithstanding years of negotiation on this point.
The Appropriateness and Impact of the Sale Process	F6. The proposed sale did not involve an open market process, expression of interest, or other competitive test of value, which the Property Council of Australia and its representatives indicated would ordinarily apply to a public land disposal of this significance.
Issues Identified in the Auditor-General's Report	F7. The Auditor-General identified significant process failures, specifically: a. the absence of any business case underpinning the 2020 decision to progress the sale, resulting in undefined project scope, inadequate risk management, and reactive implementation b. the sharing of the Valuer-General's valuation report with LK Group in October 2024 against the Valuer-General's explicit advice, based on an incorrect assessment that no active negotiations were underway, and directed by Ministerial staff without clear authority to do so, and c. the fact that, more than six years after negotiations commenced, the parties have not progressed beyond the first step of the legislated Crown land disposal process which is agreement on a master plan.
Strategic Value and Future Potential of the Site	F8. Wilkinsons Point is a strategically significant waterfront site with substantial redevelopment potential. This potential could be enhanced if considered alongside the Dowsing Point site through an integrated master planning process – with the two sites totalling approximately 45 hectares combined.

Area	Finding
Lease Arrangements at MyState Bank Arena	F9. While the lease for MyState Bank Arena specifies a base rent of \$200,000 per annum (adjusted for CPI), the State's concurrent obligation to pay an annual CPI-adjusted Hiring Fee Contribution up to \$175,000 to support community access results in a net rental yield to the Crown of under \$30,000 per year. F10. No performance or percentage rent has been paid to the State under Clause 4.3 of the lease agreement since its commencement. F11. In the Joint Standing Committee of Public Works 7 December 2020 hearing, the Government overstated the revenue and failed to disclose the hiring fee contribution provisions in the Lease Agreement that resulted in a reduced rate of return.

Summary of Recommendations

The Committee makes the following nine (9) recommendations to the Tasmanian Government:

- R1. Prior to 30 November 2026, table in both Houses of Parliament a report on the proposed sale of land at Wilkinsons Point that sets out:
 - a. the status of negotiations
 - b. any revised development proposal
 - c. estimated public costs, and
 - d. progress on Auditor-General recommendations.
- R2. Commission an assessment of the infrastructure and servicing requirements to inform an integrated masterplan for Wilkinsons Point and Dowsing Point, including:
 - a. car parking requirements
 - b. transport connections
 - c. utilities and services
 - d. flood mitigation
 - e. contamination remediation, and
 - f. estimated public and private costs.
- R3. Prior to the finalisation of any binding agreement for the sale of Crown land at Wilkinsons Point the following matters be completed:
 - a. a finalised master plan with details to clearly identify the:
 - i. all projected public costs and benefits
 - ii. proposed sale terms including obligations of the purchaser
 - iii. details of the land to be transferred/sold
 - iv. infrastructure requirements including site preparation, remediation and staging
 - v. economic impact assessments
 - vi. risk assessments, and
 - vii. community benefits analysis
 - b. engagement with Glenorchy City Council on the masterplan and sale terms to ensure alignment with strategic objectives for the area, and
 - c. table a copy of the proposed binding agreement for the sale of Crown land at Wilkinsons Point in each House of Parliament at least 30 days before the agreement is signed by any party.
- R4. Building Tasmania ensure all future negotiations involving significant State assets, including Crown land, are supported by formal governance arrangements for any future significant unsolicited land sale or development proposal with a comprehensive business case that includes:
 - a. projected public costs and benefits
 - b. infrastructure requirements
 - c. community impacts assessments
 - d. economic impact assessments
 - e. risk assessments, and
 - f. value-for-money analysis.

- R5. Review the existing statutory framework particularly the *Crown Lands Act 1979* with a particular focus on the provisions for the disposal of surplus Crown land.
 - R6. Review and strengthen protocols governing when and how valuation reports and other commercially sensitive material may be disclosed to a prospective purchaser, consistent with independent advice and best practice probity standards and clarify that Ministerial staff cannot direct departmental action outside lawful delegated authority, particularly with regard to the release of valuation information.
 - R7. Ensure any future term sheet or agreement allocate infrastructure cost responsibilities between the State and the developer, and not be publicly characterised as an ‘agreement’ unless it is legally binding, to avoid misleading impressions of negotiation status for Parliament and the public.
 - R8. Any disposal (sale, long-term lease, exchange or donation) of a significant public asset to a private entity require the transparent and full disclosure of risks and liabilities to the State.
 - R9. The Lease between LK Group and the Crown regarding MyState Bank Arena be reviewed as soon as practicable.
-

Conduct of Review

On the 23 February 2025, Premier Jeremy Rockliff MP announced that the State Government had agreed to sell the Crown Land at Wilkinsons Point to the LK Group, at a value determined by the Valuer-General, and would be partnering with private enterprise to develop the area:

An economic boom for the northern suburbs will be activated with the Tasmanian Government reaching an agreement to stimulate private development on surplus Crown Land at Wilkinsons Point.

In one of the most significant private investments made in Tasmania, LK Group is set to invest \$500 million to transform Wilkinsons Point.

The Tasmanian Government has agreed to sell the Crown Land at Wilkinsons Point to the LK Group at a value determined by the Valuer-General to enable the development of:

- A multi-use retail precinct;*
- A family resort; and*
- A hotel complex.*

Premier Jeremy Rockliff said that the development will transform the waterfront precinct and provide an economic boom for the State.

"The Tasmanian Government is backing business, jobs and economic growth," Premier Rockliff said.

"It's clear that investors can see the potential here in Tasmania, and an investment of this size is a huge vote of confidence in the Tasmanian economy and the northern suburbs.

"By partnering with private enterprise, we are excited for what will be more than \$1 billion in economic activity that will follow.

"This is a massive win for our tradies and local suppliers, with thousands of jobs and years of work set to be activated across three exciting stages of development on the site.

"Not only will new jobs be created during the construction period, but there will also be hundreds of ongoing jobs as a result of this transformational project."

As part of the agreement, the Tasmanian Government will proceed with developing common-use infrastructure including the Wilkinsons Point ferry terminal, services and associated parking facilities.

"We are activating the northern suburbs corridor, and the expansion of our ferry network will further benefit connectivity in the area," Premier Rockliff said.

“With MONA continuing to lead the global art scene and Simon Currant’s innovative immersive experience planned for Cadbury’s in Claremont, the northern suburbs will become a tourist destination with this world class development and infrastructure.

“Through our 2030 Strong Plan for Tasmania’s Future the Tasmanian Government will continue to partner with private enterprise to unlock more investment, create more jobs and drive more economic activity in Tasmania.”¹

On 19 March 2025, the Committee sought further details from Premier Rockliff around this announcement and in particular, whether the agreement for sale had been finalised, the process so far as what the Government had taken to deal with the land at Wilkinsons Point, and other relevant points. A response was received on 2 May 2025. After clarification around the sensitivity of some of the attachments provided was obtained (30 May 2025), the original response was redacted, and six of the seven attachments were uploaded onto the Committee’s website.²

On 11 June 2025, Her Excellency the Honourable Barbara Baker AC (Governor of Tasmania), agreed to a request from Premier Rockliff to prorogue the Parliament and dissolve the House of Assembly, and a State election was called for 19 July 2025.

After the commencement of the 52nd sitting of Parliament, the Committee was re-established on Wednesday, 24 September 2025. On this day, the Auditor-General tabled the ‘Proposed sale of Wilkinsons Point Land (No.3 of 2025-26)’ Report (Auditor-General’s Report).³ The Auditor-General’s Report amongst other findings found that the then Department of State Growth processes from 2019 to 2025 for the sale of publicly owned land were inadequate and that the Department’s processes did not support the identification and effective management of risks associated with the land sale process.

On 17 December 2025, noting the Auditor-General’s Report, the Committee resolved to further inquire into and report on the Tasmanian Government’s plan to dispose of any land at Wilkinsons’ Point, including:

1. the current scope and status of the proposal
2. how the plans for the site have evolved
3. incurred and expected costs and benefits arising from the commitments included in the 2020 terms sheet and any subsequent commitments
4. the appropriateness and impact of the process to date
5. issues identified in the Auditor-General’s Report, including but not limited to the:
 - a. lack of a government business case to support the policy
 - b. decision to share Valuer General’s report with the proponent
 - c. status of the land sale component of the 2020 term sheet

¹ See ‘Massive economic boost with Wilkinsons Point transformation’ Jeremy Rockliff (Premier), <https://www.premier.tas.gov.au/latest-news/2025/february/massive-economic-boost-with-wilkinsons-point-transformation>, [Accessed 25 June 2026]

² See ‘Sale of Wilkinsons Point – Correspondence’, <https://www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee/inquiries/sale-of-wilkinsons-point>

³ See <https://www.audit.tas.gov.au/wp-content/uploads/Proposed-sale-of-Wilkinsons-Point-land-full-report.pdf>

- d. Department of State Growth and Department of Premier and Cabinet's July 2025 advice on whether the works were still in Tasmania's interests and the Government's subsequent response, and
6. any other matters incidental thereto.⁴

On 17 February 2026, The Mercury reported that 'Premier Rockliff has ignored the recommendations of two Government departments to stop negotiating the sale of Crown land at Wilkinsons Point, despite being warned selling ... could result in taxpayers forking out \$100 million, with "no certainty" the site would ever be developed'.⁵

The Mercury article referred to the August 2025 Incoming Government Package addressed to Hon Felix Ellis MP (Minister for Business, Industry and Resources) included this background from the Department of State Growth:

The Crown owns the land at Wilkinsons Point, including MyState Bank Arena (MSBA), between the River Derwent, Elwick Racecourse and the Brooker Highway.

The sale and development of Wilkinsons Point arose out of the government agreeing to purchase Wilkinsons Point from the Glenorchy City Council (GCC), redevelop MSBA and sponsor the establishment of a National Basketball League (NBL) franchise in Tasmania.

The LK Group is the owner of the JackJumpers, Tasmania's NBL team, with the MSBA being the home of the JackJumpers.

The Crown became the owner of Wilkinsons Point on 25 June 2019, the Tasmanian Government agreed to commence formal discussions with both the NBL and the LK Group about the establishment of a Tasmanian NBL franchise, development of the then-Derwent Entertainment Centre (DEC) and Wilkinsons Point precinct, and the establishment of a community multi-sport venue.

On 28 February 2020, the government reached an in-principle agreement of key terms with GCC to purchase the DEC and Wilkinsons Point.

Reaching the agreement of key terms with the GCC allowed the roll out of six separate, but connected, agreements between the government and the LK Group. Only one in-principle agreement is outstanding which is to sell the land to the LK Group.

The department is progressing negotiations to finalise the term sheet. Once the term sheet is finalised, it will need to be considered by government to establish whether it agrees to the terms and enter into a sale and land development agreement.

As part of developing a term sheet which may lead to a draft sale and development agreement, the department has identified land that is not to be considered for sale, and includes:

⁴ See 'Media Advisory – Inquiry into the Proposed Sale of Wilkinsons Point (17 December 2025)', https://www.parliament.tas.gov.au/data/assets/pdf_file/0011/100640/20251217-pac.adm.cor.Sale-of-Wilkinsons-Point-TORs.pdf

⁵ See 'State's \$100M Jump Shot', The Mercury (Rob Inglis), 17 February 2026

- *the MSBA*
- *land to be used for a future ferry service, including a proposed park and ride/sail facility*
- *access to Wilkinsons Point, including access to the ferry terminal*
- *land reserved for the future widening of the Brooker Highway (long-term)*
- *an internal road (Loyd Road)*
- *foreshore reserve land.*

The department is following due process in the development of the term sheet, which includes ensuring that the land is valued by the Office of the Valuer General with the Director General of Land fixing the reserve price for the land.

The department is nearing completion of negotiations on the term sheet.

The LK Group has also proposed the expansion of the MSBA to meet community demand for NBL events by increasing seating capacity. The LK Group has prepared some early concept designs and costings.⁶

The Committee noted the key points included the highlighted advice (emphasis added):

- *The Tasmanian Government purchased the My State Bank Arena (MSBA) and surrounding land at Wilkinsons Point from the city of Glenorchy in 2020*
- *Over the past few years, the Government has been working with the LK Group with the intention to sell surplus Crown land at Wilkinsons Point.*
- *The LK Group has indicated that it will invest money in the development of a multi-use retail precinct, a family resort and a hotel complex on the site.*
- *The details of potential land to be sold are still being finalised. The contribution that both LK Group and Crown will make towards various development costs are still being negotiated.*
- *The sale price is to be negotiated but it will not be less than a reserve price determination to be made by the Director-General of Lands.*
- ***On the basis that there is no certainty of development or contribution to costs from LK Group and the potential high cost to Government of around \$100 million to activate the site, the department's current recommendation is to cease negotiations on sale of land and consider offering the surplus land to open market. A minute to this effect was submitted to the Premier.***
- *The land sale and development agreement is currently subject to both a Tasmania Audit office investigation and Parliamentary Public Accounts Committee.⁷*

The Committee resolved to hold public hearings over three separate days with key witnesses, stakeholders and Hon Jeremy Rockliff MP (Premier) in Committee Room 2, Parliament House, Hobart:

⁶ See Extract from Incoming Government Package to Hon Felix Ellis MP (Minister for Business, Industry and Resources), Department of State Growth (August 2025), released under RTI-25-26-09, https://www.stategrowth.tas.gov.au/_data/assets/pdf_file/0006/610890/RTI-25-26-09.pdf, p.195.

⁷ See Extract from Incoming Government Package to Hon Felix Ellis MP (Minister for Business, Industry and Resources), Department of State Growth (August 2025), released under RTI-25-26-09, p.195

Tuesday, 31 March 2026

Office of the Valuer-General
Mr Guy Naish (Valuer-General)

Glenorchy City Council
Mr Emilio Reale (Chief Executive Officer)

Property Council of Australia
Mr Michael Kerschbaum (Acting Executive Director)
Ms Heather Mason (President)
Mr Peter Scott (Immediate Past President)

Department of Premier and Cabinet
Ms Kathrine Morgan-Wicks (Secretary)

Department of State Growth
Mr Shane Gregory (Acting Secretary)

Department of Treasury and Finance
Mr Gary Swain (Secretary)
Mr James Craigie (Deputy Secretary Budget and Finance Division)

Wednesday, 1 April 2026

LK Group
Mr Larry Kestelman (Executive Chairman and Owner)

Friday, 10 April 2026

Hon Jeremy Rockliff MP
Premier

Department of Premier and Cabinet
Ms Kathrine Morgan-Wicks (Secretary)

Department of State Growth
Mr Shane Gregory (Acting Secretary)

Copies of the transcripts, tabled papers, broadcasts and responses are available on the Committee's inquiry webpage.⁸

⁸ See in general, 'Sale of Wilkinsons Point', <https://www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee/inquiries/sale-of-wilkinsons-point>

Background

The Committee noted that the foreword of the Auditor-General's Report succinctly encapsulated the shortcomings of the State Government's approach to the proposed sale of Wilkinsons Point:

The proposed sale of Wilkinsons Point land was part of an unsolicited proposal submitted by a proponent to the Tasmanian Government in 2019. The meaning of unsolicited is important in this context. It means the Government decided the proposal:

- *was unique—it involved sponsoring a Tasmanian team in the National Basketball League, upgrading the Derwent Entertainment Centre, and constructing additional sporting facilities.*
- *would be implemented without offering the land for sale to the open market or opening it to other uses.*

As implementation of the proposal has progressed, the uniqueness of the proposed land sale and development has fallen away—for example, Government moved the community sports and high-performance facilities from Wilkinsons Point to other locations.

This investigation focussed on State entities actions in the land sale process. I reviewed whether State entities provided honest, comprehensive, accurate and timely advice to the Government to support its decision-making on the proposed land sale.⁹ I also reviewed whether good processes were present in departmental records. It was outside this investigation's scope to make any findings about the proponent.

I found significant shortcomings in advice and process. Failures that State entities must address to maintain public trust. The failures started with not adequately defining scope, risks and State-funded costs of the individual projects that made up the proposal.

Due to a restriction placed on my access to Cabinet documents however, I was unable to assess the quality of advice provided to Cabinet or whether State Growth's implementation of Government decisions was consistent with the parameters set. This restriction results in such investigations not being able to provide a full picture to the Tasmanian Parliament.

It is unfortunate that the creation of the JackJumpers is related to this investigation by being part of the proposal. The team's success since the 2021-22 NBL season speaks for itself. Its creation has also resulted in wider benefits, such as jobs and volunteer opportunities, and increased participation in basketball.

When our State entities use appropriate processes to support and implement Government decisions, they not only manage risk, but ensure positive outcomes to Tasmania receive appropriate recognition. This has not occurred in relation to the proposed sale of Wilkinsons Point land.¹⁰

⁹ As required by the Tasmanian State Service Principles in Employment Direction 2, under Administration and employment matters of the State Service (DPAC), https://www.dpac.tas.gov.au/_data/assets/pdf_file/0034/461779/ED2-State-Service-Principles.PDF

¹⁰ See <https://www.audit.tas.gov.au/wp-content/uploads/Proposed-sale-of-Wilkinsons-Point-land-full-report.pdf>, p.i.

The Auditor-General's Report had three major findings:

- there was no business case to support the proposal's implementation
- State Growth needed clarity on the policy parameters to implement Government decisions, and
- the changing policy parameters undermined the quality of advice.

The Committee also noted that over the eight years to mid-2026, there had been considerable changes to the responsible ministers over the period. Premier Rockliff's 1 May 2026 response to the Committee's question highlighted the following:

As outlined in the Committee meeting, Premier Hodgman became involved at [Glenorchy City] Council's request in 2018, supported by then Treasurer and Minister Gutwein. During the COVID period of 2020, the then Premier Gutwein helped oversee the Project. Responsible Ministers were as follows, noting that the responsibilities have also intersected with the Infrastructure and other portfolios throughout the period:

- Minister for State Growth - Gutwein to January 2020*
- Minister for State Growth - Ferguson to May 2021*
- Minister for State Growth - Jaensch to April 2022*
- Minister for State Development, Construction and Housing - Barnett to July 2023*
- Minister for State Development, Trade and the Antarctic – Rockliff to April 2024*
- Minister for Major Investment and Trade – Rockliff to August 2025, and*
- Minister for Business, Industry and Resources – Ellis to current.*¹¹

Committee Member, Mr Roger Jaensch MP, upon reflection of the advice above, recused himself from the deliberations and drafting of this report, to avoid any actual or perceived conflict of interest.

On 17 June 2026, in accordance with section 2(4)(a) of the Act, Mr Jaensch resigned as a Committee Member upon being appointed as a Minister of the Crown. Mr Rob Fairs MP joined the Committee as his replacement from the House of Assembly on 11 August 2026.

Premier Rockliff also provided the Committee with a timeline of events around the proposed sale. This is replicated in the below table:¹²

Year	Month	Event
2018	July	Glenorchy City Council (GCC) resolves its intention to dispose of the Derwent Entertainment Centre (DEC) site
	October	Council rejects an unsolicited proposal and proceeds to an Expression of Interest (EOI) process
2019	March	Council authorises its General Manager to commence disposal of Wilkinsons Point

¹¹ See 'Letter from Premier -Wilkinsons Point (1 May 2026)', https://www.parliament.tas.gov.au/_data/assets/pdf_file/0019/106039/PREMIER-OUTGOING-Ruth-Forrest-MLC-Wilkinsons-Point-1-May-2026-Public-Version.pdf

¹² See 'Letter from Premier -Wilkinsons Point (1 May 2026)', Attachment D

Year	Month	Event
	June	Council seeks Tasmanian Government support for the LK Group Proposal
2019	24 June	Council approves entering into exclusive negotiations with the LK Group for the DEC and Wilkinsons Point
	28 June	Council formally notifies the Tasmanian Government of its decision to enter exclusive negotiations with LK Group
	July	Department of State Growth confirmed as the State's lead negotiator in response to the DEC upgrade proposal, NBL team sponsorship, and Wilkinsons Point development
	28 October	Council resolves to extend the exclusive negotiation period with LK Group to 30 December 2019
	20 December	Treasurer writes to the [GCC] ¹³ Mayor confirming: • public ownership of the DEC would be required for public investment, and • the State's intention to negotiate acceptable commercial terms with LK Group
2020	3 February	Non-binding indicative terms sheet agreed between the Crown and LK Group, including the proposed sale of Wilkinsons Point subject to Valuer-General valuation
	February	Cabinet agrees to progress the proposal to purchase the DEC and Wilkinsons Point
	28 February	Council resolves to sell the DEC and Wilkinsons Point to the Tasmanian Government for approximately \$8 million, subject to: • agreement of key terms with the State, and • a satisfactory agreement with LK Group regarding the DEC business
	September	Department of State Growth establishes a Steering Committee for the DEC upgrades, Tasmanian NBL team, and Wilkinsons Point
	4 November	Settlement occurs: DEC and Wilkinsons Point transferred from Glenorchy City Council to the Crown for approximately \$8 million
2021-23		Progress on Wilkinsons Point slows due to multiple factors, including: • COVID-19 impacts • Government policy requirements (new ferry terminal) • relocation of NBL high-performance facilities, and • transfer of Glenorchy community multisport facility (DEC upgrades and NBL matters progress more consistently than Wilkinsons Point.)
2024	October	Cabinet agrees again to progress Wilkinsons Point sale arrangements

¹³ Ms Kristie Johnston

Year	Month	Event
2025	24 February	New non-binding short-form summary of key project terms agreed between the Crown and LK Group
	2 May	Confirmation to the Public Accounts Committee that no final binding land sale agreement has been executed

Finally, in April 2026 Premier Rockliff shared why the State Government was still pursuing the Wilkinsons Point development:

Mr ROCKLIFF - ... I want to reiterate why the Government is pursuing this project: it's an economic boom for the northern suburbs in southern Tasmania; it will be activated with the development of surplus Crown land at Wilkinsons Point; LK Group has committed to invest some \$500 million to transform the site - a multi-use retail precinct, a family resort and a hotel complex; the development will transform the waterfront precinct and provide an economic boom for the State; this would be a very big win for our tradies and local suppliers and thousands of jobs and years of work set to be activated across three exciting stages of development on the site; we are activating the northern suburbs corridor; and the expansion of our ferry network will further benefit connectivity in the area.

With other exciting projects in the area, I'm confident this can be the awakening of Hobart's northern suburbs and I expect, of course, the Committee will explore why an open tender process was not initiated by the State, how value for money is being protected, and why negotiations have taken time. The answer to these questions is grounded in the fact that the negotiated pathway was established by [Glenorchy City] Council and subsequently relied upon by successive Premiers and, indeed, I'm very passionate about economic development.

Finally, it's important to place Wilkinsons Point in its historical context. Over nearly 24 years as a Member of Parliament, I have seen this site remain effectively dormant through multiple Governments, Councils and economic cycles. No substantive proposal has previously progressed to delivery. The proposal under consideration represents the first generally comprehensive attempt to activate the site and transform it into an economically productive precinct. That context matters, Acting Chair, and explains why successive Premiers have sought to progress a long-term negotiated solution rather than accept continued inertia.¹⁴

¹⁴ Transcript of Evidence, Public Hearings (10 April 2026) – Premier Rockliff, https://www.parliament.tas.gov.au/data/assets/pdf_file/0025/104659/PAC-Sale-of-Wilkinsons-Point-Friday-10-April-2026-Premier-Rockliff.pdf, p.3

Evidence

Current Status of the Proposed Sale of Wilkinsons Point

Despite more than six years of negotiations and repeated announcements that the Government had agreed to sell the land to LK Group, no binding agreement for the sale of land at Wilkinsons Point had been executed.

At the time of the April 2026 hearings, negotiations between the Government and LK Group were in abeyance, with no substantive engagement since a brief meeting in January 2026. Premier Rockliff advised the Committee in subsequent correspondence:

*The Department of Premier and Cabinet and the Department of State Growth have re-engaged with LK Group since May [2026]. There have been two meetings since then.*¹⁵

On 19 August 2026, Hon Felix Ellis MP (Minister for Business, Industry and Resources) reaffirmed that advice:

*... Consistent with advice provided to the Public Accounts Committee, the Department of Premier and Cabinet and Building Tasmania have reengaged with the LK Group since May 2026 in relation to the proposal. The masterplan for the site, the potential development and site activation, as well as how the precinct integrates with Dowsing Point, have been discussed.*¹⁶

On 13 September 2026, Mr Shane Gregory (Acting Secretary, Building Tasmania) advised:

Since the April 2026 hearings BT has been involved in two meetings with the LK Group:

- 22 June 2026 – teleconference to establish process to recommence discussions
- 24 July 2026¹⁷

In his correspondence to the Committee, Premier Rockliff stated the following:

I would like to advise the committee that the provision of the requested information and documents has been performed with the support of the Department of State Growth. The Department's support in terms of providing information and relevant copies of documentation continued up until 1 May 2025. ...

There is no agreement for the sale and development of Crown land at Wilkinsons Point to the LK Group. There is currently a process in place to work towards a sale and development agreement, which is in active negotiation between the parties. There is no

¹⁵ Premier Rockliff Response to Request for Additional Information (8 July 2026), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0026/109637/PREMIER-OUTGOING-Ruth-Forrest-MLC-Sale-of-Wilkinsons-Point-8-July-2026.pdf, p.2

¹⁶ Minister Ellis Response to QON 43 (20 August 2026), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0017/110294/RESPONSE-QON-43-Hon-Bec-Thomas-MLC-Wilkinsons-Point-MyState-Bank-Arena.PDF, p.4

¹⁷ Email from Shane Gregory (Acting Secretary, Building Tasmania) to Committee dated 13 September 2026

*intention for the sale to include MyState Bank Arena (MSBA) or the proposed ferry terminal on the site.*¹⁸

This was confirmed separately at the public hearings with Mr Shane Gregory (Acting Secretary, then Department of State Growth (DSG)), Mr Larry Kestelman (Executive Chairman and Owner, LK Group) and Premier Rockliff:

CHAIR - *Okay, so where's the negotiations up to at the moment?*

Mr GREGORY - *Negotiations are currently in abeyance at the moment. There was discussion last year with the LK Group. There was some advice we provided jointly between myself and the Secretary of the Department of State Growth at the time about some options for government that resulted in a meeting in October-ish, I think, with the LK Group where I put it to them that we needed to see some better options from them. They provided a response in December [2025]. I had a meeting with them in January [2026], and the negotiations haven't progressed beyond that point.*

...

*We're not progressing any conversations with the LK Group and I haven't met with them since January [2026] of this year. That was a fairly brief meeting...*¹⁹

Mr Kestelman stated the following:

Mr KESTELMAN - *... I want to confirm upfront, there was never a binding agreement: there isn't a binding agreement. I've been going at this for six years. I've invested a lot of time, effort, by myself and my team. I was very involved in the very, very early stages and then especially when it became separated between the team and now MyState Bank arena. It has been very much separated between myself and my property teams, who've been working much closer on looking at the opportunity with the land and helping develop the Derwent Entertainment Centre. Going forward, I will say again: there is no binding agreement ...*

...

Ms THOMAS - *You mentioned earlier that you checked with the team and there had been no communication with the Government for a couple of months on this. How would you describe the status of the negotiations as of today?*

Mr KESTELMAN - *I'm going to say paused is probably the right word. I would actually suggest a big reason for that is not necessarily either willingness by us or the Government not to continue the conversation, but I know there's been a lot of change within the department, of people looking after this project. We've sort of left it with the Government and they're the ones that [are] in charge of the process, so we follow their guidelines.*

¹⁸ Letter from Premier Rockliff to Committee (2 May 2025), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0024/94173/Attachment-1-Letter-to-the-Parliamentary-Committee-on-Public-Accounts-Wilkinsons-Point_Redacted.pdf, p.1

¹⁹ Transcript of Evidence, Public Hearings (31 March 2026) - Various, https://www.parliament.tas.gov.au/_data/assets/pdf_file/0023/104657/PAC-SALE-OF-WILKINSONS-POINT-31-March-2026-FINAL.pdf, p.35-37

Ms THOMAS - What would be the trigger point for recommencing those negotiations? Is it simply a matter of LK Group waiting for the Government to come back to it?

Mr KESTELMAN - Correct.

Ms THOMAS - Is there, from your perspective, a timeframe? How long does the Government have to progress this deal with LK Group before you say, 'That's it, I'm out'.

Mr KESTELMAN - That's a very good question. I think after six years, the patience is wearing a little thin. We're committing time and resources as we keep going. I think that's a conversation for us to have with the Government. I would say that the timeframe is very much getting shorter, I think, but patience is wearing thin.²⁰

At the public hearing, Premier Rockliff added:

Mr ROCKLIFF - while negotiations have been underway for an extended period, no final binding land sale has occurred, and any such transaction would only proceed if it were in the public interest.

...

DEPUTY CHAIR - ... Can you outline your understanding of the current status of the negotiations with LK Group as of today?

Mr ROCKLIFF - ... There's been a pause - if that's the right word - on negotiations at this point. I want to restart the negotiations as soon as possible. We obviously had the heads of agreement, that was announced previously, to require further negotiating points - or establish a base for negotiations. I would like to resume those negotiations as soon as practicably possible. I still believe, as I outlined in my State of the State address, my passion for the project: it's too good of an opportunity not to investigate further. At the end of the day, we may well not come to an agreement. If that's the case, then we look for other options. But we will not proceed without the fact that this is very good value for the Tasmanian taxpayer. I believe the opportunity exists for it to be very good value for the Tasmanian taxpayer, which is why I'm keen to restart negotiations as soon as possible.

DEPUTY CHAIR - Do you have an expected timeframe for when those negotiations will restart?

Mr ROCKLIFF - I'd like to start them again next week, Acting Chair, if that was possible. I mean, negotiations take some time. Clearly this has taken longer than I would have liked and expected, and sometimes negotiations can be protracted for reasons of timeframes around when one party puts forward negotiating points and the timeframe to get back to that negotiating point. A good example of that, of course, is the wage negotiations that we've announced today, successfully, which is good for a number of agreements, and that's taken obviously some time. Good faith negotiations are important and that's what I intend to pursue and continue to pursue. I won't be intimately involved

²⁰ Transcript of Evidence, Public Hearings (1 April 2026) - LK Group,
https://www.parliament.tas.gov.au/data/assets/pdf_file/0024/104658/PAC-Sale-of-Wilkinsons-Point-1-April-2026-L-K-Group.pdf, p.8

in the negotiations, obviously. That is for the Acting Secretary of State Growth's involvement and Mr Gregory's team. I want to, for the Government, restart those negotiations as soon as possible.

DEPUTY CHAIR - *So, you said you'd like to next week if possible. Is that possible and is that your intention?*

Mr ROCKLIFF - *Anything's possible, Acting Chair. It would be my intention to start the process of organising further engagement with the LK Group to see what we can negotiate - finalise an agreement, of course, which will be very transparent and open to the Tasmanian public, as it should be. We'll have, obviously, key milestones attached to it, as the heads of agreements already indicated it would, and see an opportunity that can be realised in the best interest of the Tasmanian people.²¹*

The Committee noted since the public hearings in April 2026, negotiations had recommenced between the Government and LK Group including how the Wilkinsons Point precinct might integrate with the adjacent Dowsing Point parcels of land.²²

Committee Findings

- F1. Despite more than six years of negotiation between the State Government and LK Group, no binding sale and development agreement for Wilkinsons Point has been executed.
- F2. At the time of the April 2026 hearings negotiations between the Government and LK Group were in abeyance, with no substantive engagement since a brief meeting in January 2026. Media reports on 19 August 2026 indicated engagement between the parties had re-commenced.

²¹ Transcript of Evidence, Public Hearings (10 April 2026) – Premier Rockliff, p.5

²² See 'S500M deal back in play; Billionaire, state govt reopen land deal talks; Wilkinson's Point has bounced back into play; NBL owner and Libs talking again about sale of land', The Mercury (19 August 2026)

How the Plans for the Site Have Evolved and Stalled

The Committee understands the proposed sale and redevelopment of Wilkinsons Point originated through a Glenorchy City Council's-led time limited process before transitioning to the State Government following the Government's acquisition of the DEC and surrounding land. Evidence indicated that the proposed land sale formed part of a broader package associated with the establishment of the Tasmania JackJumpers, redevelopment of the DEC (now MyState Bank Arena), and the proposed redevelopment of surrounding land. It was also evident to the Committee the land sale component remained contingent on further negotiations and development arrangements rather than representing a completed transaction.

The Committee was also of a view that the proposal had changed significantly since it first emerged through the GCC's process in 2018.

With respect to the requirement to pursue the land acquisition, Mr Kestelman provided the following:

***MR KESTELMAN** - ... On the back of that, that has really always has been my number one priority - is the National Basketball League. I really wanted to see what the opportunity entails in bringing a team to Tasmania. There were a number of conversations that I'd heard about, including from your previous Premiers and others, that Tasmania really wanted a team down there. Then I became aware of a process that was being run by the Glenorchy Council to actually dispose of the Derwent Entertainment Centre and of the land. One of my property people mentioned that to me, so I inquired and that's where it all began back in 2018, with an inquiry through a process that, I believe, the Council was running with KPMG and I think it was ... Knight [Frank], to dispose of the land. We engaged with the Council first, but it was always with a view of how do we actually bring a team to Tasmania. I think that's just an important thing to note: how it all began. Over the years, I've certainly now dealt with three different Premiers and lots of different Government officials, both to do with the team, the Derwent Entertainment Centre, and the land. ...*

... I will go on record and say there's a bit of a misconception that it was myself that somehow was driving the conversation, post the initial process where the Council granted, I think it was a 120-day, exclusive period for us to look at. We, as a group, have invested a lot of time and effort into exploring that opportunity, but it was actually the other way around. I think it was in early 2020 when we finally got to some sort of an indicative term sheet with now the State Government, not the Council. It was actually imposed as a condition on us to look at buying the land as part of the support the Government wanted to provide for the team. So, it was not ourselves somehow stating that the land is part of the deal or has to be part of the deal. That was never the case. It was actually the other way around. When the dust settled and some sort of indicative arrangement was made, it was an obligation on us to look at purchasing the land for the Government to then support and invest into the JackJumpers. The obligation was the other way around. That obligation, I think, has since fallen away.²³

²³ Transcript of Evidence, Public Hearings (1 April 2026) - LK Group, p.1-2

Evidence from Mr Guy Naish (Valuer-General) confirmed that then DSG requested multiple valuation scenarios for Wilkinsons Point between September 2024 and May 2025. The valuations considered various lot configurations and retrospective valuations back to 2018. The valuation advice was prepared to support ongoing negotiations rather than a finalised sale process:

***Mr NAISH** - So in mid-2024, we were requested by the Department of State Growth to provide valuations on the subject sites. There are a number of questions we were asked in relation to this matter. There were a number of different lots. There was valuing it as at the present date, but also a retrospective valuation back to 2018. We were asked to value the properties on an encumbered basis as well as an unencumbered basis, and we were also asked to value the properties as if they were sold separately, on separate titles, as well as what we call an all-inline or an amalgamated valuation.*

The information we were provided by State Growth was a proposed plan, so, you know, these are sort of non-final survey plans. This is what we know now. We were provided information in terms of planning advice from DSG, pitt&sherry, and a number of other different important inputs into the valuation so that we could actually have our assumptions that we could proceed with evaluation. We provided that advice to DSG.

Around December [2024], we were asked to provide some further addendum advice. There was really nothing new in terms of proposed lots that were there; it was really just, 'Can you give it to us in a few different combinations and permutations?'²⁴

Mr Emilio Reale (Chief Executive Officer, GCC) also confirmed that previous work associated with the proposed community basketball courts identified substantial infrastructure requirements, including road upgrades, sewer, water and power upgrades. Council was advised these additional infrastructure works were estimated at approximately \$23 million and contributed to the abandonment of the basketball court proposal:

***Ms THOMAS** - In terms of the works, we've heard various estimations of the works that would need to be undertaken for the land at Wilkinsons Point to be development-ready for whatever is proposed. We've heard the Government commit \$12 million in one budget towards making the land development-ready. You just mentioned before that even for the proposed basketball courts, there was a likely investment of around \$20 million of infrastructure upgrades needed to make that facility buildable. We've, in more recent times, heard estimates of up to \$100 million needed. Is Glenorchy City Council on the hook for any of the work that's required in the area?*

***Mr REALE** - No, but the last figure that was put to me was that when - basically we were right at the end of negotiating the community basketball courts, and I think when they'd made the determination that it wasn't going to go there because of the extra cost, the figure that was put to me was \$23 million of additional infrastructure costs. That was to upgrade intersections, road, water, sewer and power infrastructure. Council was not up for any of the cost for upgrading any of that infrastructure because it was pretty much all within the development site. The only thing that was in the original sale agreement was*

²⁴ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.2

that, if the community basketball courts were going to go ahead, the internal road, Loyd Road [Dowsing Point], had to be realigned around those courts, because the way the road is aligned at the moment, it actually goes straight through the middle of where the proposed site was going to be. That was a \$2.4 million cost that was agreed, under the sale agreement, that Council would put back to the road, I think it was \$2.7 [million] with GST. It was to be done by a certain date, which has well and truly passed and expired.²⁵

As noted in Premier Rockliff's timeline and highlighted by the Auditor-General's Report, the relocation of NBL high-performance facilities, and transfer of Glenorchy community multisport facility arguably had significant impacts to the original proposed sale.

The addition of a ferry terminal service and a multistorey carpark which would require road realignment and utility servicing has added complexity to the negotiations. The Government estimates reportedly approaching \$100 million in infrastructure expenditure and LK Group estimates being considerably lower.

In discussing the status of the Wilkinsons Point Master Plan, Ms Kathrine Morgan-Wicks (Secretary, DPAC) and Mr Shane Gregory (Acting Secretary, DSG) shared the following:

Mr GREGORY - *The master plan that had been developed by the LK Group was probably about 80 or 90 per cent complete. We'd been working through that with them. Then there are elements that we hadn't resolved with them, and that included what was required in terms of Council's project to build a ferry terminal and how that needed to fit in. It was largely there, but it hadn't been finalised. LK Group had been having some conversations with Council about what the master plan looked like, but it wasn't finished and signed off.*

Again, while in the Auditor-General's report these things appear in a linear fashion, in working through a planning exercise: they aren't a purely linear fashion. You will do some work, you'll come back, you'll talk about some things, 'Actually we need something different', as we work through, for example, the multistorey car park was getting bigger and bigger, so we then started to question, 'Well, what's driving the size of this?' We got some responses from LK Group and we said, 'Why would you do that? Why would that be in the master plan if it drives that outcome?' It's an iterative process. I think we were pretty close to having a master plan, but we just didn't finalise it.

Ms MORGAN-WICKS - *I think, Deputy Chair, it would be fair to say that car parking was a significant issue in terms of the finalisation of that master plan, and differing views between proponent and Government as to the size, the responsibility for contribution, and really what that meant for the site as a whole in terms of community use and people's expectations of being able to turn up to the DEC and get a car park right out the front.²⁶*

Mr Gregory spoke further to what made up the \$100 million infrastructure estimate:

²⁵ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.18

²⁶ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.41

Mr GREGORY - There's quite a lot of detail in the number, but essentially the negotiations had been proceeding around some parameters provided by Government around the contribution it might be prepared to make around things like the car parking and preparing the site for sale, servicing the site, and so on. The car parking was starting to look particularly expensive. I think the LK Group's estimates were extremely optimistic ...

Mr GREGORY - ... Also, the other consideration was the size of that car park had changed quite dramatically during the course of the master plan development. That was quite a sticking point for us. We got to the point where in terms of that sort of commitment to pay, willingness to pay, we were having some commercial negotiations around, well, if we were funding a significant component of this car park, but it was being used essentially for facilities that had been leased to the LK Group, our view was there should have been a commercial arrangement around the leasing of those car parks. ...

Mr WINTER - ... What were the other components of that \$100 million?

Mr GREGORY - The car parking was a significant part of it: another component was the realignment of Loyd Road within the site, and then the third component was getting services to the site, making sure that the site was serviced by sewer, water, electricity.²⁷

Mr Kestelman provided his view:

Mr KESTELMAN - First of all, I think the hundred million dollars - and I'm not going to comment on how they arrived at that number - we have a very different opinion on what the cost of that should be, could be, potentially would be, but that's not for me to comment. I think that is a very, very high number. Our estimates are probably half that, but that's a question for whoever came up with those numbers. As far as justification, well, part of that car parking is [inaudible] and that has complicated the conversations. I don't 100 per cent know what the Government intent is around the ferries and how that would work and car parking involved with that. That's one. There was very much originally the intent for public transport services to go to the site. So, if it's developed into something that is a community and really activated both for the MyState Bank Arena but also for what intended to be developed, it seems strange to me that there would be no actual public transport. Hence, there was an increased three-quarter requirement for car parking.

It's a relatively complex matter as to how many car parking is actually needed on site. What needs to be done on the site and who should bear what costs. I would suggest that's probably the one area that we have not actually landed with the Government as yet - on who should bear what cost and how much it should cost. I'm keen, if the Government chooses to continue to delve into that further.

Ms THOMAS - Just in follow-up to that - you just mentioned that LK Group's estimates of cost to make the land development ready are approximately half of that \$100 million figure that's been bandied around. So, you would estimate around \$50 million it would take to make the land development ready, is that right?

²⁷ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.41-42

Mr KESTELMAN - I think so.

Ms THOMAS - Are your negotiations contingent on a financial contribution from the State to the tune of \$50 million?

Mr KESTELMAN - No. None of it is as a standalone conversation. There was always an understanding that the Government would provide services to the site. As to what those services are is really up to the Government, because even as late as I think before we had our last conversation, my understanding was that they started considering what services might be needed for that site to encompass and provide possible services for the other sites as well. So, I don't think this is a question on just this site: this is just services that the Government would provide looking at the area as a whole. I don't actually know exactly what may or may not be required.²⁸

The Committee noted at the time of this Report, plans for a new ferry terminal on the River Derwent at Glenorchy have gone on public display, one of three new terminals planned across the river, as part of an expansion of the Derwent ferry service. Planning documents stated it would initially service events at MyState Bank Arena, with commuter services flagged as a possible future addition.²⁹

Committee Findings

- F3. The proposal for the sale of land at Wilkinsons Point has changed substantially since it originated in 2018, including the relocation of NBL high-performance facilities and the Glenorchy community multisport facility, and repeated revision of the draft master plan.
- F4. Infrastructure cost estimates have varied dramatically between the parties with departmental estimates approaching \$100 million, and LK Group estimates of roughly half that figure - with car parking scope and the realignment of Loyd Road as the principal unresolved issues.
- F5. No agreement exists on how infrastructure costs are to be shared between Government and LK Group, notwithstanding years of negotiation on this point.

²⁸ Transcript of Evidence, Public Hearings (31 March 2026) – L K Group, p.11-12

²⁹ See 'First look: Plans revealed for new Wilkinsons Point ferry terminal', Pulse Tasmania (30 August 2026), <https://pulsetasmania.com.au/news/first-look-at-plans-for-new-wilkinsons-point-ferry-terminal/> [Accessed 8 September 2026]

The Appropriateness and Impact of the Sale Process

The Committee heard from the Property Council of Australia (PCA) which argued that similar to Wilkinsons Point, public land of this significance would ordinarily be offered through an open market process, including expressions of interest and market testing. It was suggested this would allow the State Government to assess competing proposals and determine best value outcomes for Tasmania.

Mr Michael Kerschbaum (Acting Interim Executive Director) and Ms Heather Mason (President) PCA shared the following:

Mr KERSCHBAUM - ...*The Property Council welcomes the opportunity to talk to PAC about the sale of Wilkinsons Point land. We believe it's an important site. I guess our opening premise is that, in general terms, the sale of any Government assets, including land, should be done through an open and transparent process to test the market. Now, in this instance, we would argue that hasn't been the case.*

We won't dwell on the merits of the sale, because we don't have enough detail. What we do know is that there was obviously some sort of arrangement made and we don't, to be honest, know whether that's a good thing or a bad thing for the Tasmanian public. It could be the best deal ever, it could be the worst deal ever for the Tasmanian public. We just don't know and we don't have that detail. So, we're not here probably to comment on the merits of this particular sale, in terms of whether it's a good thing or a bad thing for Tasmanians, but we're happy to talk to an open and transparent process and the divestment of Government assets in general.

I guess there is another component to all of this that is more recent, and that is the potential divestment of Federal Government land at Dowsing Point adjacent to Wilkinsons Point. That site's approximately twice the size of the Wilkinsons Point site. We believe that the two create a very attractive opportunity to master plan 45 hectares of land that is currently, in one form or another, in Government hands.

So, we believe that it creates a really unique opportunity, and if we were just to sell off the Wilkinsons Point site on its own, I'm sure that we would realise a great investment and some good outcomes. But we also believe that if that whole site was master planned, taking into account the need for social housing, mixed-use, retail, whatever the opportunities present themselves, including tourism, we could potentially end up with a fabulous site that is better linked and integrated with what Tasmania - southern Tasmania needs anyway.

CHAIR - *Just from your perspective, then, you say you believe - people of Tasmania, I think most probably would agree that they would expect to see an open, transparent process around the disposal of land such as this - or even less value, but it's still public land. Can you tell us, from your perspective, what that looks like and how it differs from what we've seen?*

...

Ms MASON - *I think there's a few things to consider here. I think firstly, obviously, the proposal, I understand at the moment, is to obviously offload the parcel of land in its*

entirety to one developer. Obviously, again, as Michael said, we're not across the details of that arrangement or that proposal. You would usually go to market with an opportunity of this nature, particularly in its location, and around the conversations that we're openly having around shortage of housing, and, you know, development in that area, to consider all options out in the market. There needs to be transparency around the offering, transparency around what we believe the market price is for that land and how that's determined. Also basically testing the market to see who's out there. Then a more informed decision can be made around the future of the site. I don't think, at this stage, any of that has taken place. There hasn't been an opportunity to bring others to the table to discuss that and also really understand what the opportunities are there outside of perhaps what's on the table at the moment.

Again, with Dowsing Point potentially coming to market or being a second offering there, you would generally see people in that commercial space looking at a master plan and understanding how you could potentially subdivide or maximise the outcome there, versus selling it as a single lot, potentially. So, really, how I would transact in a commercial world shouldn't be any different for the Government, and certainly, I don't think that's been demonstrated in this instance.

CHAIR - *So, you would've expected to see things like an expression of interest for the site? ...*

Ms MASON - *Yes, absolutely. Usually, you would certainly go expressions of interest, similar to what happened down at the stadium site. How that would be pieced out, potentially, and then, again, be informed around those interested parties and what they're looking to do. Obviously, their uses can impact value as well, or the overall return from a property, so understanding what the land value is out there and how that's been determined would be interesting to see.*³⁰

Mr Peter Scott (Immediate Past President, PCA) and Mr Kerschbaum responded to the question whether there was an expectation that every direct-approach, unsolicited-bid for a sale of Crown-owned land should go through a public process:

Mr JAENSCH - *... I'm wondering if your expectation would be that if a sale of a parcel of Government-owned, Crown-owned land should, under every circumstance, go through a public process and see who was out there and what the value was. ...*

How would you envisage that that process should run, and what do you think should be the measurement of, and the proof of, the best value to Tasmania in such a disposal if it's not just highest bidder?

Mr SCOTT - *... I think the proposition that a valuable asset - Government asset is only sold and evaluated for value on the basis of its sale price is a bit simplistic. We would expect a sophisticated vendor, such as the Government, with a significant asset, to not only look at a financial return - sale price - but also to extend onto that an understanding of its obligations in that sale.*

³⁰ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.24-25

There have been discussions about potentially up to \$100 million worth of Government infrastructure being required. We need to see what the potential liabilities attached to that sale would be. Then where the Government has stated ambitions, for example: the production of social and affordable housing, we'd expect to see a sale, potentially encumbered with development guarantees that said, 'Out of this sale we expect you to build X or do Y or do so in a timeframe'; much as the way the AFL has negotiated a deal around Macquarie [Point] Stadium and they've built in development guarantees that if things are not done at certain times there's a financial penalty. We would expect the sale to be a sophisticated one, advised by appropriately qualified professionals, to allow the Government to be able to then evaluate value that's not just the highest sale price, but actually returns to the Government, the best-value proposition, taking all things into consideration.

Mr JAENSCH - *What if that process, though, was initiated by a developer or investor who sees an opportunity in Tasmania, is prepared to bring significant investment to bear and in that context the process might be seen as not solely about disposal of Government-owned land, but entertaining, negotiating and landing a significant development and investment in Tasmania, of which the value of the land may be one of the things that is a negotiable from the Government side. Does that put that in a different perspective than there should be a practice around every Government asset that is sold or to be disposed of?*

Mr KERSCHBAUM - *That is a valid point. The unsolicited bids, I guess, legislation is really, I understand, there for people who might have [an] idea or a concept to deliver. My understanding is that in this instance it's a little bit different because what you've got is a developer who's come in who hasn't actually spent any money upgrading the stadium itself, but delivered a product, then as a side or and an adjunct to that product been gifted or offered, as an option, land. The proposal itself wasn't to develop the land or improve the land in any way: it was to offer a product which has now been sold. And, in fact, I guess the real estate deal was done as a side or an adjunct to that. Ordinarily, with unsolicited bids, as I understand it, the proponent's offering to add value to the Crown land and deliver something unusual like a cable car or whatever the case may be.*

In this instance, to some extent the product offering is quite different to the development of the land and I don't necessarily see the two as connected. My understanding as well is that the State funded pretty much most or all of the stadium redevelopments. So, what you end up with was, yes, we did receive an opportunity to participate, which has been highly successful in a national franchise for sport, but to throw a real estate deal into the side of that, to me, doesn't quite fit the normal unsolicited bid process.³¹

The Committee also questioned as to whether the original \$6 million for the land at Wilkinsons Point was 'a fair and reasonable value'. Mr Kerschbaum and Mr Scott offered the following:

Mr WINTER – *One of the documents we have, through RTI, is a letter from the former [Department of State Growth] Secretary, Kim Evans, to the LK Group. I quote:*

³¹ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.26-28

Therefore, to enable the State to further progress the purchase of the site, I request your confirmation that's subject to an outcome that is satisfactory to the LK Group and to the State regarding the matters outlined above, that you are prepared to purchase the balance of the land for development at a price of \$6 million as proposed by you to Council at our recent meeting.

\$6 million for that land - does that sound like a fair and reasonable value for that Wilkinsons Point site?

Mr KERSCHBAUM - *I think I'd go back to the sale of the Transport Building 25-30 years ago. It's now an apartment block, but the sale at the bottom of Collins Street for \$1 million seemed like a ridiculously cheap figure. Speaking to the developer, the building was riddled with asbestos, and it took several million dollars to rid the building of asbestos and demolish it - I can't remember what the magnitude of millions was. It made that sale price on the headline figure look cheap, but it may have been expensive. \$6 million sounds like a cheap sort of headline figure, but so did the \$1 million the Transport Building till it took into account the other costs.*

Mr SCOTT - *I would add to that, if you've sold an asset for \$6 million and you saddled yourself with \$100 million liability and you didn't have a development guarantee: that doesn't sound like a good deal. If you sold an asset for \$6 million and you had a guarantee of a billion dollars' worth of investment that produced 1,500 jobs: you might think that's a very good deal. So, I think it's the context in which the sale is negotiated which makes all the difference to understanding the value. If that's not done transparently and with the ability to compare competing offers, then you're potentially missing the opportunity to release best value.³²*

Committee Findings

- F6. The proposed sale did not involve an open market process, expression of interest, or other competitive test of value, which the Property Council of Australia and its representatives indicated would ordinarily apply to a public land disposal of this significance.

³² Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.30

Issues Identified in the Auditor-General's Report

Amongst other issues identified in the Auditor-General's Report, the Committee noted these three main areas of concern:

- lack of government business case to support the policy
- decision to share Valuer-General's report with the proponent, and
- status of the land sale component of the 2020 term sheet.

Lack of Government Business Case and Public Interest Considerations

In June 2019, the State Government agreed to commence negotiations to establish a Tasmanian NBL franchise, develop the DEC and Wilkinsons Point precinct, and develop a community multi-sport venue. State Growth was allocated responsibility to lead negotiations relating to the proposal. Six months later, in February 2020, the State Government authorised State Growth to finalise terms sheets with the parties and develop legal transaction documents related to the:

- purchase of the DEC and surrounding land from Council
- DEC upgrade and operating lease
- sponsorship of a Tasmanian NBL team, and
- sale of Wilkinsons Point land to the proponent.³³

The Auditor-General's Report found:

The absence of a business case or plan to implement the 2020 decision meant that the foundation for informed decision-making was not in place. It also meant that:

- *the scope of the projects within the 'program of works' was not clearly defined. This resulted in significant and frequent changes to, and delays in, the proposed land sale and development process*
- *risk management was inadequate, key risks remained unaddressed for years and increasing costs were common*
- *implementation was unstructured – actions to implement the 2020 decision were reactive – advice and subsequent decisions had a perceived urgency, with advice labelled 'urgent', 'super urgent' or 'as soon as possible'.*

A key risk that was present from the outset, and was not addressed until November 2024, was that the in-principle agreements were not supported by a clear:

- *policy intent—the outcomes that the Government were seeking to achieve*
- *policy—a plan to guide decisions and achieve those outcomes*
- *alignment with State entities ... and other stakeholders in their understanding of and collaboration on the commitment*
- *... transparent and accountable administration.*³⁴

³³ See Report of the Auditor-General (No.3 of 2025-26), Proposed sale of Wilkinsons Point Land (Auditor-General's Report), <https://www.audit.tas.gov.au/wp-content/uploads/Proposed-sale-of-Wilkinsons-Point-land-full-report.pdf>, p.8

³⁴ See Auditor-General's Report, p.8

The Committee noted that there was uncertainty regarding the public value proposition attached to the proposed sale, no finalised master plan has been agreed and that significant questions remain regarding public infrastructure contributions and future development obligations remained.

As noted previously in this Report, the PCA argued that public value should not be measured solely through the sale price of the land. They suggested Government should assess broader outcomes including infrastructure liabilities, housing delivery, economic development, development guarantees and policy objectives. When asked what the State Government could do to avoid 'land banking', Mr Scott and Mr Kerschbaum suggested the following including the importance of a master plan:

Mr WINTER - ... *What options would Government have to avoid land banking? ...*

Mr SCOTT - *No, I don't think Government necessarily have, for years, dealt with that issue as well as they could've done. But there are plenty of professional advisers able to advise about the best way to dispose of assets in a way that returns best value. Best value is very seldom measured simply on the sale price of a piece of property or asset. So, I think it could be done. This is an opportunity for Government to do best practice, transparent divestment.*

Mr KERSCHBAUM - *And I think, probably, as I said, what's really sparked the Property Council's interest is the ability to take advantage of the Dowsing Point site adjacent to that. That's created, I think, an extra dynamic that probably shouldn't be dismissed. We think the site could be greater than the sum of its parts if it was hived off in two parcels. That's one result. But 45 hectares is a very sizeable site. We think it probably lends itself to being master planned. The other thing you can do, if the Government owns that land and they've master planned it, they can roll out those parcels as and when they see fit. So you can, to some extent, with those development guarantees locked in, start to feed or trickle work into the sector. We have this constant argument - if you've been around as long as I have - about what we're going to do after the hospital, after the bridge, after the stadium. If we jumped onto this and we were able to get some sort of a master plan and procurement process delivered in the next couple of years, you could be rolling these parcels out after the stadium is built or on completion, or towards the end of the completion and you could roll out a works program that's bigger than just, you know, a 10-unit development here or a 50-unit development there, you could actually roll out a pipeline of 10 years' worth of work for the industry. Then that forms the basis of works going forward and underpins the industry, so you don't have this peaks-and-troughs type of situation.³⁵*

Mr Shane Gregory (Acting Secretary, DSG) and Ms Kathrine Morgan-Wicks (Secretary, DPAC) confirmed the status of the masterplan as 'unfinished' and that the car parking was a significant sticking point between the parties:

Ms THOMAS - ... *In terms of the steps in the disposal of land process, there's reference also in the Auditor-General's Report to the master plan for the site, and Stage 1 of the*

³⁵ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.29-30

legislated land sale process being that parties agree on a master plan, and there was a finding in the Report that that was the stage that this process was actually at, and there was still no agreed master plan. Can you provide your view on that, in terms of the legislated disposal process, the requirement for a master plan and, if there is one, where that particular master plan is at?

Mr GREGORY - *The master plan that had been developed by the LK Group was probably about 80 or 90 per cent complete. We'd been working through that with them. Then there are elements that we hadn't resolved with them, and that included what was required in terms of Council's project to build a ferry terminal and how that needed to fit in. It was largely there, but it hadn't been finalised. LK Group had been having some conversations with Council about what the master plan looked like, but it wasn't finished and signed off.*

Again, while in the Auditor-General's report these things appear in a linear fashion, in working through a planning exercise: they aren't a purely linear fashion. You will do some work, you'll come back, you'll talk about some things, 'Actually we need something different', as we work through, for example, the multistorey car park was getting bigger and bigger, so we then started to question, 'Well, what's driving the size of this?' We got some responses from LK Group and we said, 'Why would you do that? Why would that be in the master plan if it drives that outcome?' It's an iterative process. I think we were pretty close to having a master plan, but we just didn't finalise it.

Ms MORGAN-WICKS - *I think, Deputy Chair, it would be fair to say that car parking was a significant issue in terms of the finalisation of that master plan, and differing views between proponent and Government as to the size, the responsibility for contribution, and really what that meant for the site as a whole in terms of community use and people's expectations of being able to turn up to the DEC and get a car park right out the front.*³⁶

The Premier did state in the public hearings that Wilkinsons Point 'is a strategically significant riverfront site with the potential to deliver significant long-term economic and community benefits' and that the Government would not proceed 'if it were not in the public interest'.³⁷ When asked as to whether there was merit in developing a broader master plan for the Wilkinsons Point land together with the plan for the Dowsing Point land, Premier Rockliff agreed:

DEPUTY CHAIR - *On that point, with the link to Dowsing Point and the potential there, do you think there's merit in developing a broader master plan for the Wilkinsons Point land together with the plan for the Dowsing Point land? Is that something that you've tasked the department with looking at?*

Mr ROCKLIFF - *Acting Chair, that is a good idea. I would like, as much as possible, the developments to complement each other. Should the development at Dowsing Point, in terms of housing, proceed, that may well impact on the design, format - if I can get the right words - amenities, enabling infrastructure, roadways and all those types of things. I*

³⁶ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.41

³⁷ Transcript of Evidence, Public Hearings (10 April 2026) – Premier Rockliff, p.2

would like them both to complement each other and not to be developed in isolation, would be my desire. They need to coexist - if I could put it that way.

DEPUTY CHAIR - Is that something you've asked the Department [of State Growth] - or will ask the Department or whoever's leading these negotiations - to factor into the negotiations with LK Group?

Mr ROCKLIFF - It does need to be factored in. It is naturally implied, in terms of my view, and I've stated that in an opinion piece more recently. But it needs to be factored in, Acting Chair, yes.³⁸

Decision to Share Valuer General's Report with the Proponent

The Office of the Valuer-General undertook multiple valuation exercises at the request of the Department of State Growth, including retrospective valuations to 2018, alternative lot configurations and updated lot combinations.

The Auditor-General's Report noted the following with respect to the valuation report being shared with the LK Group:

In September 2024, the proponent requested that State Growth share the Valuer-General's valuation report with them.

State Growth sought advice from the Valuer-General on the report's disclosure. The Valuer-General advised State Growth that they should not share the valuation report with the proponent because:

- *the report states it is not to be relied upon by third parties*
- *providing the valuation to a potential purchaser is considered a potential misuse of information in some Australian jurisdictions.*³⁹

In October 2024, State Growth shared the valuation report with the proponent. State Growth documentation on this disclosure indicates that Premier's Office staff:

- *received the Valuer-General's advice*
- *'made the decision that the valuation report is to be shared with' the proponent*
- *based that decision on the incorrect view that there was 'no active negotiation between the parties'.*

*There is no clear guidance on how Ministers direct public servants to act in a specific way. Under our system of government, the Minister can direct public servants to take specific actions, but Ministerial staff cannot as they are not delegated to do so under legislation.*⁴⁰

³⁸ Transcript of Evidence, Public Hearings (10 April 2026) – Premier Rockliff, p.10-11

³⁹ For example, NSW Independent Commission Against Corruption's (ICAC) guidance on confidential information states State Government departments should not distribute a valuation report to a proponent. See 'Confidential Information', ICAC, <https://www.icac.nsw.gov.au/prevention/corruption-prevention-advice-topics/confidential-information>, [Accessed 6 July 2026]

⁴⁰ See Auditor-General's Report, p.14

Mr Guy Naish (Valuer-General) informed the Committee of his views on sharing valuation reports with third-parties:

Ms THOMAS - ... Can you talk us through that advice that you provided and any thoughts you have on that advice not being followed?

Mr NAISH - ... I suppose part of my role as the Valuer-General is to provide frank and fearless advice. My advice to any government department would be the general advice which I did provide, but at the end of the day, I'm not privy to negotiations or what's happening behind that curtain, because of the independence that I have to have in maintaining - providing the valuation advice, rather than being in the mix of doing the negotiations. In the email advice that I provided the Department of State Growth, I did preface it to say, well, of course this is up to you, but my advice is it's not best practice to share the valuation report.

That's our, I suppose, information to you to consider in your negotiations and make a transaction. The report, itself, that we provide, makes that pretty clear - that it's for a specific purpose and a specific client.

And, I did make the suggestion that - if I'm looking in other jurisdictions, for example New South Wales, they actually say it's definitely not best practice because it could be seen as giving a particular proponent information that may not be available to other potential purchasers. But again, I will preface it by saying I don't know the conversations that the Department of State Growth was having with the proponent at the time. So, that was general advice. They came back and informed me that they were going to hand the report over -

CHAIR - Before they did it?

Mr NAISH - Yes, I understand they did and I think my response was, 'Okay, that's fine.' Again, that's something that each government agency, whatever they're doing with their negotiations - there may be a lot of things, a lot of situations that I'm not particularly aware of, but I'll give them the benefit of my experience and my advice - and how agencies take that is really up to them.

CHAIR - So, did you reiterate that point - the reasons why you believe it's not appropriate to share that valuation report?

Mr NAISH - I did. I think my original advice, in writing, was pretty clear and I think that's mirrored well in the Auditor-General's report. In terms of, you know, whether I have - look, I can't prevent agencies from sharing the advice, that's outside my remit, all I can do is say, well, these are the potential disadvantages of sharing that advice. But, at the end of the day, I wasn't close to the negotiations or the details or the minutiae.

CHAIR - Are you aware of other valuations done by your office, either yourself or, if you weren't there, prior to you being appointed Valuer-General that have been shared with proponents or possible proponents?

Mr NAISH - No. And, I suppose my alternative advice would be for the agency who receives our advice, as their advice to inform themselves to do their negotiations, to encourage the proponent to get their own valuation advice and, if that is markedly different, then the Office of the Valuer-General will assist the agencies in sitting down with the valuer or the expert of the proponent and talk through the areas where they're different and where they're the same, and then report separately back to our respective clients.⁴¹

With respect to matters covering valuation advice provided under section 51 of the *Valuation of Land Act 2001* (Tas), Mr Naish highlighted that the section 8 secrecy provisions were of import:

(1) *In this section, officer includes the Valuer-General, a Deputy Valuer-General, a valuation contractor and any other person appointed or taken to have been appointed under section 6.*

(2) *An officer must maintain, and aid in maintaining, the secrecy of all matters which come to his or her knowledge in the exercise and performance of powers, duties and functions under this Act.*

(3) *An officer may not, except for the purpose of carrying this Act into effect, communicate or divulge or aid in divulging, to any other person, any matter which comes to his or her knowledge in the exercise and performance of his or her powers, duties and functions under this Act.*

(4) *An officer must on appointment notify in writing to the Minister or the Valuer-General, as may be appropriate, any conflict of interest that may arise from the performance of his or her duties under this Act.*

(5) *Any person who contravenes a provision of this section which is applicable to him or her is guilty of an offence.*

Penalty: Fine not exceeding 20 penalty units.

Mr Naish also stated that in the normal cause of events, 'Normal valuations once they get over six months old are really considered almost out of date'.⁴² This assertion was agreed to by Mr Gregory:

CHAIR - *We're told the last valuation was done in September 2024 for dollar value. When would you reasonably expect that should be updated with the sale?*

Mr GREGORY - *Well, that's very old. There was a request for an updated valuation in the middle of 2025. I would say that's now out of date as well.*

⁴¹ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.7-8

⁴² Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.9

CHAIR - Well, according to the Valuer-General, that was not an update on the actual value. It was an update on combining different parcels of the land. The valuation itself was done in 2024, September 2024, so before any sale proceeds, are we likely to see a new valuation?

Mr GREGORY - We would certainly have to do a new valuation, if we got to the point of having a sale agreement, and we are a long way off of that, but if we got to the point of having one, yes, part of the process would be, having got the master plan and worked through the subdivision plan, to request the Valuer-General provide a new valuation. Even one from the middle of last year is way out of date.⁴³

When questioned as to who had made the decision that the Valuer-General's advice would be shared with the LK Group against the advice of the Valuer-General, Mr Gregory shared the following statement:

Mr GREGORY - ... My understanding is that the Secretary of the Department of State Growth shared or the department shared the report. I think in the context of the project and the fact that an agreement had been made in 2019/2020 to sell the land to the LK Group at market value and the Auditor-General notes that there was public commentary in 2020 as to the value of the land, I don't actually find it unusual, given the in-principle agreement was to sell the land to the LK Group at market value, or value determined by the Valuer-General. I don't think it's particularly unusual to have shared the report with them.

Mr WINTER - Correct me if I am wrong, Chair, but the Valuer-General couldn't point to another example where it had happened.

Mr GREGORY - I don't think there would be many examples. I haven't, in my time in Tasmania, been involved in an example where an agreement has been reached to sell at a particular valuation: I think that's the subtle difference in this case. The Calvary example, the land was going to be sold, but there was no agreement that it would be sold, public agreement that it be sold at a certain value. We did talk to them about the value. We didn't share the report with them.

CHAIR - That would be the usual way of doing things, wouldn't it?

Mr GREGORY - It's probably the usual way, but if you consider what damage did sharing the report do, well, I don't think it did any: because the agreement had been to sell at the value set - the Valuer-General values the land and then that's used to set the reserve price. I think, if you're going to the open market for a developable piece of land, you certainly would hold that information confidential because you wouldn't want to be signalling to a broader market what you were doing, but the discussion had already been had a number of years before to sell the land to LK Group at market value, so I think the need for confidentiality around the report is much, much less.⁴⁴

⁴³ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.45-46

⁴⁴ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.42-43

When questioned as to whether he knew that the sharing of the valuation report was contrary to the Valuer-General's advice, Premier Rockliff shared the following:

Mr WINTER - ... Premier, were you aware of your office's move to share the valuation from the Valuer-General, against his advice?

Mr ROCKLIFF - I'm not sure against advice. What I can be clear of is it always part of the agreement to sell the land at the Valuer-General's determination. So, at some point, the proponent needed to know what the valuation was. That is just the fact of the matter.

...
Mr WINTER - Were you aware that the Valuer-General was advising not to share the valuation report?

Mr ROCKLIFF - Well, the value of the land to be developed was to be determined by the Valuer-General. As such, there were no concerns with sharing the Valuer-General's valuation with the proponent –

Mr WINTER - Do you understand the difference between the valuation report and the valuation, though?

Mr ROCKLIFF - It was a required piece of information that needed to be shared, obviously, to continue discussions on the development and sale agreement. What I expect is that for departments: 'there's the policy parameters'. I expect: 'there's the vision: there's the opportunity'. I expect departments to implement that policy.

Mr WINTER - My question was: were you aware that your office was directing the sharing of the valuation report?

Mr ROCKLIFF - As I best recall these matters, my office is the extension of myself in this. I see no - given the sharing of the Valuer-General's information aligns with the original intent of the agreement.

Mr WINTER - We actually had the Valuer-General provide evidence to the Committee and outlined why he would advise that the valuation report not be shared. Do you accept that it was incorrect practice to share that report with the proponent against the advice of the Valuer-General.

Mr ROCKLIFF - I understand that valuation advice was being circulated and shared with the proponent during this period. This is the advice that I had. As I say, it aligns with the original stated intent. In light of this, of course, and the fact that the valuations had previously been shared and discussed, the Premier's Office indicated to the department that it was reasonable to share the evaluation with the proponent. Again, it should be noted that no finalised land sale and development agreement has been reached with the proponent...⁴⁵

⁴⁵ Transcript of Evidence, Public Hearings (10 April 2026) – Premier Rockliff, p.12-13

In a response a detailed response as to why the Premier's Office directed the sharing of the subject valuation when he as Premier was not the responsible minister at the time, Premier Rockliff advised that he 'was the responsible Minister as Minister for Major Investment and Trade'.⁴⁶

Status of the Land Sale Component of the 2020 Term Sheet

As noted elsewhere in this Report, no completed sale agreement exists. The Auditor-General's Report states:

In March 2024, the Secretary of State Growth indicated to the proponent that:

- *the documents provided in 2019 were not a binding or finalised agreement*
- *State Growth would work with the proponent to negotiate the Land Sale and Development Agreement.*

In February 2025, the State Government announced they had agreed to sell the Crown Land at Wilkinsons Point to the proponent at a value determined by the Valuer-General to enable the development of a multi-use retail precinct, a family resort and a hotel complex. As part of the agreement, the Tasmanian Government will proceed with developing common-use infrastructure including the Wilkinsons Point ferry terminal, services, and associated parking facilities.⁴⁷

The Auditor-General also highlighted that under the legislated process for the sale of surplus Crown land (under the *Crown Lands Act 1976*), in effect the parties had not moved from the first step since beginning the process over six years ago: i.e., the parties had yet to agree to a master plan.⁴⁸

When questioned, the Department of State Growth described the February 2025 announcement as reflecting an agreement in principle through a short-form term sheet rather than a legally binding sale contract. Mr Gregory shared the following:

Mr WINTER - *Following on, so what I'm struggling to understand is the 23 February 2025 media release from the Premier. It says:*

An economic boom for the northern suburbs will be activated with the Tasmanian Government reaching an agreement to stimulate private development on surplus Crown Land at Wilkinsons Point.

So presumably at that point the Premier felt that there was an agreement: what broke down to the point where clearly there isn't an agreement? What actually happened?

⁴⁶ See Letter from Premier - Wilkinsons Point (1 May 2026), https://www.parliament.tas.gov.au/data/assets/pdf_file/0019/106039/PREMIER-OUTGOING-Ruth-Forrest-MLC-Wilkinsons-Point-1-May-2026-Public-Version.pdf

⁴⁷ See Auditor-General's Report, p.6

⁴⁸ See Auditor-General's Report, p.6

Mr GREGORY - The process of negotiating is not a linear thing: it's iterative. If we reflect on the Calvary co-location, there was an in-principle agreement through a short-form term sheet to go down a certain path, and then as you go through negotiations and develop the concept, things change and the co-location in Launceston, we got to a point where the site that was intended actually didn't work, wasn't workable. So, we shifted direction and we had an alternative site. That's the process, and it's not 'do this step, this step, this step'; it's not uncommon to have an iterative process where you're changing and the discussion that's in the agreement.

In February 2025, what we had was a short-form agreement that laid out the basic principles of what we're working towards - a short-form term sheet - that's not an agreement, that's not a signed agreement. It's a term sheet. It's an agreement in principle, if you like, to move forward. The next step is to flesh that out with all the details. So a short-form term sheet just has the basic principles in it, and the fundamentals - so that would be the State will do this, the LK Group will do that, here's the general principles of how we're going to make it work - and then there's months and months of negotiation and working with lawyers to flesh out the detail.

Mr WINTER - I think this is where the confusion is, because you've just said a short-form term sheet is not an agreement, but the Premier's announcement is 'the Tasmanian Government reaching an agreement to stimulate private development... '.

Mr GREGORY - I think what's important is there's a difference between what we might say is we have an agreement and what's a legal definition itself. So, a short-form term sheet is not a legally-binding agreement. It's not a signed contract. It's an agreement in-principle to move forward. If you talk to a lawyer, if we talk to the Crown Solicitor, they would say a short-form term sheet is not an agreement: but I think most people generally would say we've reached agreement to move forward. It's just acknowledging that.⁴⁹

Mr Kestelman succinctly stated, 'There's no commitments on anyone.'⁵⁰

Committee Findings

- F7. The Auditor-General identified significant process failures, specifically:
- the absence of any business case underpinning the 2020 decision to progress the sale, resulting in undefined project scope, inadequate risk management, and reactive implementation
 - the sharing of the Valuer-General's valuation report with LK Group in October 2024 against the Valuer-General's explicit advice, based on an incorrect assessment that no active negotiations were underway, and directed by Ministerial staff without clear authority to do so, and
 - the fact that, more than six years after negotiations commenced, the parties have not progressed beyond the first step of the legislated Crown land disposal process which is agreement on a master plan.

⁴⁹ Transcript of Evidence, Public Hearings (31 March 2026) - Various, p.40

⁵⁰ Transcript of Evidence, Public Hearings (31 March 2026) - L K Group, p.11

Strategic Value and Future Potential of the Site

The Committee notes that evidence received consistently described Wilkinsons Point as a strategically important waterfront location with substantial redevelopment potential.

However, it was also highlighted that Wilkinsons Point has significant practical challenges, including contamination, flooding constraints, transport requirements and servicing costs. Mr Kestelman expressed the view that despite these difficulties the site should ultimately be developed because of its location and long-term value to Tasmania:

Mr KESTELMAN - ... I think it's a wonderful location. I think it's a great opportunity. As someone who takes on challenging projects, I have not been known for someone who takes on, necessarily, straightforward or easy things. It absolutely caught my imagination. If it's not myself, I think, I really hope for Tasmania that someone does actually commit and develop that land, because it should be developed. It's a wonderful location, opposite MONA, but it does have a lot of challenges. It's got flooding, it's obviously got different zones: obviously there's a component that's public use, which is also very, very important. There's a lot of things to think through on that site but, at the same time, I think it is a very relevant and important site for Tasmania to get developed. I hope it's myself, but if not myself, as I said from the beginning, I'm okay to walk away at any time. I hope someone does, and does quickly, because I worry otherwise it'll sit around for another hundred years.⁵¹

The Committee found a significant new theme emerging from the 31 March 2026 hearing was the strategic relationship between Wilkinsons Point and the adjacent Dowsing Point Defence land.

The Committee notes the combined sites represent a unique opportunity for integrated master-planning on approximately 45 hectares of land. Such an approach could better support housing, tourism, commercial activity and long-term public policy goals than considering Wilkinsons Point in isolation.

Committee Findings

- F8. Wilkinsons Point is a strategically significant waterfront site with substantial redevelopment potential. This potential could be enhanced if considered alongside the Dowsing Point site through an integrated master planning process – with the two sites totalling approximately 45 hectares combined.

⁵¹ Transcript of Evidence, Public Hearings (31 March 2026) – L K Group, p.10

Lease Arrangements at MyState Bank Arena

The Committee notes the transcript of the Public Works Committee into the Derwent Entertainment Centre Redevelopment⁵² covered the matters relating to the details of the lease provided by Mr Kim Evans (then Secretary, Department of State Growth) and Ms Alison Turner (Director):

Mr EVANS - ...In terms of the DEC itself, last year we did a lot of work with the Kestelman group, and we co-funded some work to look at future options for development. There were three basic options looked at. Option 1 was the costs associated with upgrading the DEC to a standard to be able to conduct NBL games. That is what we called option 1 and that would cost in the order of \$35 million. Option 2 involved not only upgrading it for the purpose of NBL games, but also upgrading other facilities to make it more of a multipurpose venue fit for concerts and other uses as well as NBL games. Option 2 would cost \$46 million.

Option 3 was a total redevelopment of the DEC at the cost of \$100 million. We clearly didn't accept that as an option.

We did agree that option 2, which involved not only the upgrade of the DEC for the purposes of conducting NBL games, but also as an entertainment facility more broadly, was what we should do.

We entered into the third agreement with the LK Group - that was what we called the 'detailed design agreement' whereby we would agree with the Kestelman Group subject to option 2, which is the middle option - what are the detailed design features that we would expect within the DEC in order to part with public funding.

I should have added a little earlier that having reached these in-principle agreements back in February [2020] then along came COVID-19 and everything stopped. We didn't pick up conversations again with the LK Group until June this year. All of these legal agreements that I'm talking about were negotiated between June and November [2020] just gone.

Again, sale agreement to the council; sponsorship agreement for the team; detailed design agreement with the LK Group; and a lease agreement so they would be the operator of the DEC in the long term. That's an up to 49-year lease, obviously with a range of conditions, including that it continues to be made available for community access. There is also the payment of an annual rent, which was set after discussions with the Valuer-General and on top of that base rent, a percentage rent subject to the performance of the DEC as a commercial venue.

...

Mr EVANS - ... there's a base rent - \$200 000 - that's a fixed annual rent. Then there's a performance rent on top of that. As I say, we discussed these matters with the Valuer-General on the way through, in terms of developing that agreement.

⁵² Transcript of Evidence, Joint Standing Committee on Public Works, "Derwent Entertainment Centre Redevelopment" (7 December 2020), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0033/59955/public20works20720december20202020-20derwent20entertainment20centre20redevelopment.pdf, p.3-5

Ms RATTRAY - The operating lease is for a period of up to 49 years. Is the committee to be informed that the fixed annual rent is \$200,000 for 49 years?

Ms TURNER - There's a provision in the lease that's been agreed to that, I think, the rent is fixed for the first period. The first period is 10 years, and then it provides for a market review of that base rent prior to the beginning of each renewal period.

CHAIR - The renewal period is?

Mr EVANS - Ten years.

Ms TURNER - I think it's in blocks of five after the initial period.

Mrs PETRUSMA - Regarding the performance provision of the percentage rent, how is that calculated. If they had big games and good gate takings, for example, do we get a percentage of that? Is that what we're saying?

Ms TURNER - Yes, potentially; to the extent that across all events that are held during the year, it takes account of outgoings and revenue received as associated with those events. To the extent that it becomes a highly profitable facility into the future, the Crown, as the owner, has the potential to capture part of that upside.

...

Mr EVANS - I'll come onto the future purpose because that's the one we haven't yet negotiated. They're the agreements relating to the DEC, the design agreement, the development agreement and the lease itself. I think we've done a good job in protecting the public interest in each of those. More broadly, when this was first contemplated, it was not just the redevelopment of the DEC but the future development of the surrounding Wilkinsons Point land. In terms of that land, we've agreed in principle a term sheet to negotiate a detailed sale contract to the LK Group - what we call a 'future land sale and development agreement'. It hasn't yet been negotiated but the terms have been established through ...

...

Mr EVANS - ... a high-level term sheet to underpin the negotiations. I would say that –

...

Mr EVANS - ... That requires Mr Kestelman to pay us a deposit of 10 per cent of \$6 million, which would be purchase price for the surrounding land - again, discussed with the Valuer-General - and to pay the holding costs whilst he's working out his development. We wouldn't transfer the title though, and complete that transaction either in part or full until such time as he has substantively commenced individual developments on site.

During the inquiry, the Committee examined the commercial lease arrangements between the Crown and LK Stadiums (Tas) Pty Ltd (proponent) for the MyState Bank Arena (MSBA). The 10-year lease agreement (executed in November 2020 and amended in June 2021) set a base rent of \$200,000 per annum (adjusted annually by CPI).⁵³ The lease also provides for a

⁵³ See '1. Lease of Derwent Entertainment Centre', Information Table Item 8 Base Rent, https://www.parliament.tas.gov.au/data/assets/pdf_file/0026/94175/Lease-of-the-Derwent-Entertainment-Centre.PDF, p.16-17 of 98

Percentage Rent mechanism tied to Gross Annual Turnover:⁵⁴ However, evidence provided to Parliament confirms that no percentage rent has been payable since the commencement of the lease.⁵⁵

Under the ‘Non-Commercial Hirings Arrangements’ for non-commercial groups (see Attachment A for full details), the State pays an annual Hiring Fee Contribution of up to \$175,000 (also CPI-adjusted) to the proponent to support and subsidise non-commercial group access to the venue.⁵⁶ Specified Community Groups are provided for in the lease agreement and have individual venue hire charges and additional charges stipulated within the lease.^{57 58}

Specified Community Groups under the lease include the following:

Organisation	Use	No. of Events Annually	Average Attendance	Venue Hire Fee	Additional Charges	Last Booking ⁵⁹
MRA Toy Run	Charity Event	1	4,000	Free use of Car Park	5 hours of duty manager to open building for use of bathrooms	09 Nov 25
Special Children's Christmas Party	Charity Event	1	1,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	12 Dec 25
Questacon	Community Event	1	10,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	11 Apr 24
Primary School Bands	Rehearsals	3	150	No charge for use of Astley Room		19 Nov 25
	Concert	1	4,000	Venue Hire Fee \$2,500	Event staffing costs and event expenses	
Southern Tasmanian Dance Eisteddfods	Event	1	20,000+	22% of ticket sales No venue rebate	Event staffing costs and event expenses	Never
Disability Expo	Exhibition	1	800	Venue Hire Fee \$1,750	Event staffing costs and event expenses	21 Sep 22
GYC	Graduation	1	2,500	Venue Hire Fee \$1,750	Event staffing costs and event expenses	22 Nov 22
St Michaels Collegiate	Graduation	1	2,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	08 Dec 25
St Virgil's	Graduation	1	2,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	02 Dec 25
Jehovah's Witnesses	Religious Gathering	4	2,500 – 3,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	06 Mar 26
Tas Muslim Association	Religious Gathering	3	1,500 – 1,800	Venue Hire Fee \$1,750	No additional costs for weekdays but staffing charged on weekends	Never
Sacred Heart School	Religious Gathering	1	3,000	Venue Hire Fee \$1,750	Event staffing costs and event expenses	Never

⁵⁴ See ‘1. Lease of Derwent Entertainment Centre’, Clause 4.3 Percentage Rent, p.39-40 of 98

⁵⁵ See ‘Minister Ellis Response to QON 43 (20 August 2026)’,

https://www.parliament.tas.gov.au/data/assets/pdf_file/0017/110294/RESPONSE-QON-43-Hon-Bec-Thomas-MLC-Wilkinsons-Point-MyState-Bank-Arena.PDF, p.3

⁵⁶ See ‘1. Lease of Derwent Entertainment Centre’, Non-commercial Hiring Agreements, p. 19 of 98

⁵⁷ See ‘1. Lease of Derwent Entertainment Centre’, Community Groups, p. 68 of 98

⁵⁸ ‘Non-Commercial Groups’ means all Tasmanian-based non-commercial entities, including community groups, not for profit organisations, school and amateur sporting groups (but excluding Specified Community Groups).

⁵⁹ See ‘Premier Rockliff Response to Request for Additional Information (8 July 2026)’,

https://www.parliament.tas.gov.au/data/assets/pdf_file/0026/109637/PREMIER-OUTGOING-Ruth-Forrest-MLC-Sale-of-Wilkinsons-Point-8-July-2026.pdf, p.4

Organisation	Use	No. of Events Annually	Average Attendance	Venue Hire Fee	Additional Charges	Last Booking ⁵⁹
Triathlon South	Sporting Event	4	800	Free use of car park		21 Sep 25
Northern Suburbs Fun Run	Sporting Event	1	800	Free use of car park		01 Oct 23
Tas Fire	Training	4	20	No charge	No charge	27 May 22

The following table based on extracts provided to the Committee⁶⁰ or tabled in the Legislative Council⁶¹ show a comparison of the total rent received by the Crown and the hiring fee contribution paid by the Crown over financial year periods 2021-22 to 2024-25:

Year	Base Rent	Percentage Rent	Total	Hiring Fee Contribution	Net Return
2021-22	\$126,301	\$0	\$126,301	\$110,514 ⁶²	\$15,787
2022-23	\$213,022	\$0	\$213,022	\$186,393	\$26,629
2023-24	\$224,708	\$0	\$224,708	\$196,625	\$28,083
2024-25	\$230,885	\$0	\$230,885	\$202,033	\$28,852
2025-26	\$234,891	\$0	\$234,891	\$205,538 ⁶³	\$29,353
		Total	\$1,029,807	\$901,103	\$128,704

The Committee notes the State Government contribution substantially offsets the total rent paid by the lessee to date.

The Committee further notes evidence provided to the Public Works Committee on 7 December 2020 did not make any mention of the State's obligation to pay an annual CPI-adjusted Hiring Fee Contribution up to \$175,000 to support community access.

The Committee found no evidence of Government disclosure of this hiring fee obligation prior to the commencement of this Inquiry.

Committee Findings

- F9. While the lease for MyState Bank Arena specifies a base rent of \$200,000 per annum (adjusted for CPI), the State's concurrent obligation to pay an annual CPI-adjusted Hiring Fee Contribution up to \$175,000 to support community access results in a net rental yield to the Crown of under \$30,000 per year.
- F10. No performance or percentage rent has been paid to the State under Clause 4.3 of the lease agreement since its commencement.
- F11. In the Joint Standing Committee of Public Works 7 December 2020 hearing, the Government overstated the revenue and failed to disclose the hiring fee

⁶⁰ See 'Premier Rockliff Response to Request for Additional Information (8 July 2026)', p.5

⁶¹ See 'Minister Ellis Response to QON 43 (20 August 2026)', p.3

⁶² Part year from lease commencement in November 2021

⁶³ Extrapolated to full year contribution based on 1 July – 31 December 2025 half yearly contribution of \$102,769 (exc. GST)

contribution provisions in the Lease Agreement that resulted in a reduced rate of return.

Attachment A – Non-Commercial Hirings

Arrangements Extract

1 Hiring Agreements

1.1 Hiring Agreements

- a) *Despite anything in clause 5.1(r), the Lessee may only enter into a hiring agreement with a third party for an Event (“**Hiring Agreement**”) and in accordance with this Special term and condition 1.*
- b) *The Lessee may only enter into a Hiring Agreement with:*
- (i) Tasmania Basketball Pty Ltd for the purposes of NBL Matches;*
 - (ii) a Specified Community Group or Non-Commercial Group (each as defined in Special terms and condition 1.3) in accordance with Special terms and condition 1.3 (“**Non-Commercial Hiring Agreement**”); or*
 - (iii) any other third party which is not a related body corporate of the Lessee,*

in each case, in accordance with Special terms and conditions 1.2, 1.3 and 1.4 (as applicable).

- c) *For the purposes of this Special term and condition 1:*
- (i) **Event** means an event conducted on the Premises that is a Permitted Use, and includes all NBL Matches; and*
 - (ii) **Commercial Hiring Agreement** means any Hiring Agreement other than a Non-Commercial Hiring Agreement.*

1.2 Commercial Hiring Agreements

- a) *Subject to Special terms and conditions 1.3 and 1.4, the Lessee must ensure that:*
- (i) each Hiring Agreement contains terms that are substantially in the same form as the form of Hiring Agreement attached to this Lease as “Attachment: Form of Hiring Agreement” (or with such departures that are not materially prejudicial to the interests of the Lessor) or are otherwise consistent with good industry practice or such other terms approved by the Lessor in writing;*
 - (ii) each Event and any other activities permitted or contemplated by a Hiring Agreement is a Permitted Use, lawful, does not promote or permit illegal activity or assembly and does not breach any law relating to the development or use of the Premises or the adjoining land;*
 - (iii) each Hiring Agreement does not include a hiring date that is more than 36 months after the date of the relevant Hiring Agreement;*
 - (iv) each Hiring Agreement contains a provision prohibiting any sub-hiring;*
 - (v) the Lessee obtains the Lessor’s prior written consent (such consent not to be unreasonably withheld) before entering into any Hiring Agreement or Hiring Agreements with a counterparty (other than Tasmania Basketball Pty Ltd) that results*

in a hire period for that counterparty exceeding 21 days (in aggregate and whether or not continuous) over any 12 month period. For the purposes of this Special term and condition 1.2(v), calculation of the hire period under the Hiring Agreement will not take into account any bump in or bump out periods; and

- (vi) each Hiring Agreement (including, for the avoidance of doubt, any Hiring Agreement for NBL Matches) includes hiring fees and operating expenses for Events, in each case, payable by the Lessee that are consistent with normal industry practice.*

1.3 Non-commercial Hiring Agreements

Specified Community Groups

- a) If a Specified Community Group requests the use of the Premises, the Lessee must make the Premises available to, and enter into a Hiring Agreement with (or otherwise confirm the booking of the Premises to), that Specified Community Group unless:*
- (i) the requested date of use or hire period is prior to the Commencement Date;*
 - (ii) the requested date of use or hire period is more than 6 months after the date of the request from the Specified Community Group; or*
 - (iii) the Lessee has already entered into a Commercial Hiring Agreement for the requested date of use or hire period; or*
 - (iv) all or substantially all of the Premises is required (or reasonably anticipated to be required) for a NBL Match or a NBL Event (including bump in and bump out) during the requested date of use or hire, provided that the Lessee must not refuse to enter into a Hiring Agreement if hiring out the Premises to a Specified Community Group between NBL Matches and/or NBL Events could reasonably be accommodated; or*
 - (v) the Specified Community Group does not agree to enter into a Hiring Agreement.*
- b) During the first 5 years of the Term, the hiring fee payable under a Hiring Agreement with a Specified Community Group must reflect hiring fees paid by such groups prior to the date of this Lease and set out in the list attached to this Lease as “Attachment: Community Groups” (subject to an annual adjustment determined in a manner consistent with the method of adjustment to Base Rent as set out in clause 4.2(b)).*

Non-Commercial Groups

- c) If a Non-Commercial Group requests the use of the Premises, the Lessee must make the Premises available to, and enter into a Hiring Agreement with (or otherwise confirm the booking of the Premises to), that Non-Commercial Group unless:*
- (i) the requested date of use or hire period is prior to the Commencement Date;*
 - (ii) the requested date of use or hire period is more than 30 days after the date of the request; or*
 - (iii) the requested date of use is already the subject of a Hiring Agreement pursuant to which a deposit has been paid; or*
 - (iv) the requested period of use of the Premises exceeds three (3) consecutive days (in which case, the Lessee is only required to make the Premises available for 3 consecutive days); or*
 - (v) all or substantially all of the Premises is required (or reasonably anticipated to be required) for a NBL Match or a NBL Event (including bump in and bump out) during the requested date of use or hire, provided that the Lessee must not refuse to enter*

- into a Hiring Agreement because it would be inconvenient or uneconomical for the Lessee to hire out the Premises to a Non-Commercial Group between NBL Matches and/or NBL Events; or*
- (vi) the Non-Commercial Group does not agree to enter into a Hiring Agreement.*
- d) Unless otherwise approved by the Lessor in writing, the fees and charges payable by a Non-Commercial Group in connection with the hiring of the Premises must not exceed the operating expenses for the Premises directly incurred solely as a result of the Non-Commercial Group's hiring of the Premises.*
- e) Provided the Lessee complies with its obligations under this Special term and condition 1.3, the Lessor agrees to pay to the Lessee the amount of \$175,000 per annum ("**Hiring Fee Contribution**"). The Hiring Fee Contribution:*
- (i) is to be paid every six months in arrears (the first such payment to be payable 6 months after the Commencement Date) unless otherwise agreed between the parties;*
 - (ii) is to be adjusted annually in the same manner as Base Rent in clause 4.2; and is only payable after the Lessor receives a valid Tax Invoice for the Hiring Fee Contribution from the Lessee.*
- f) The Lessee must keep, and promptly provide to the Lessor when requested to do so, detailed records of all Non-Commercial Hiring Agreements entered into in accordance with this Special term and condition 1.3 and the costs directly incurred in relation to such Non-Commercial Hiring Agreements.*
- g) For the purposes of this Special term and condition 1.3:*
- (i) the period of hire under a Non-Commercial Hiring Agreement will include any bump in or bump out periods, having regard to the nature of the Hiring Agreement and/or Event;*
 - (ii) **Specified Community Groups** means the community groups set out in the list attached to this Lease as "Attachment: Community Groups";*
 - (iii) **Non-Commercial Groups** means all Tasmanian-based non-commercial entities, including community groups, not for profit organisations, school and amateur sporting groups (but excluding Specified Community Groups).*
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PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

PROPOSED SALE OF WILKINSONS POINT – FINAL REPORT

Dissenting Report

Marcus Vermey MP

INTRODUCTION

Whilst I accept the Proposed Sale of Wilkinsons Point Final Report as the Report of the Committee, I do not agree with all aspects of the Report.

I have prepared this dissenting report to outline the issues and concerns with the recommendations and the findings of the Committee to allow these to be tabled with the Report

FINDINGS

The Committee's findings don't recognise the nature and complexity of an extensive commercial negotiation. Also, the findings do not distinguish between a proposal evolving, and the suggestion that an alternative process should have been followed.

Evidence that no binding sale has been executed after an extended period does not prove a process failure particularly where a proposal has changed significantly and significant commercial, planning and infrastructure are required.

Also changes to large-scale development proposals and changes to cost and risk estimates and allocations reflect the normal negotiations of a complex project. It is not evidence of inadequate decision-making. The absence of an open-market process should be treated in the same way.

My main concern is that findings place too much weight on process and unresolved matters and not give enough weight to other complexities of commercial negotiations. My view is the proposal for a multi-use precinct at Wilkinsons Point provides an opportunity to unlock economic potential of Hobart's northern suburbs and increase economic activity in the region. Proposals. But these should be done through processes that balance the frameworks that already apply to Government decision making.

The Committee's recommendations would impose additional administration requirements and limit Government flexibility to consider strategic or other important development opportunities.

Public reporting should accurately reflect the status of processes but also protect confidential and commercially sensitive information.

Government decision-making and the conduct of departmental staff are already governed by applicable laws, standards, and protocols. Information must be managed

with legal requirements, commercial considerations and relevant professional advice. Public statements should accurately describe the status of negotiations and existing documents. Term sheets and other similar documents can identify outstanding issues and establish a process for resolving them. This is consistent with the reality of commercial negotiations.

Overall, the preferred approach is one that ensures accountability and transparency while avoiding excessive processes that could negatively impact government decision-making, commercial negotiations and economic development for Tasmania.

Marcus Vermey MP

Liberal Member for Clark

Government Whip

Parliamentary Secretary for Small Business, Community and Multicultural Affairs

RECOMMENDATIONS

I agree with the importance of transparency, accountability and accurate public communication in decisions involving public land and major development