



PREMIER OF TASMANIA

2 May 2025

Simon Scott
Committee Secretary
Parliamentary Standing Committee of Public Accounts
email: 

Dear Mr Scott

I write to respond to the questions raised by the Parliamentary Standing Committee of Public Accounts (the committee). The questions relate to the Tasmanian Government's announcement to sell Crown land at Wilkinsons Point to the LK Group at a value to be determined by the Valuer-General and partnering with private enterprise to develop the area.

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. Should further information be relevant I will seek the Department to provide to you.

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

It is important to note that, as the sale and development is under active negotiation, the requested documents may contain commercially sensitive third-party information, and I submit the documents with the expectation that the committee will honour the confidentiality of the documentation and not disclose or publish the information contained in the documentation.

My responses to the questions raised by the committee are as follows:

1. The provision of an unredacted copy of all agreements the government has made with the LK Group since 2019 and any terms sheets preceding or supporting agreements.

Attached are electronic copies of all agreements with the LK Group since 2019 in respect of the sale of land at Wilkinsons Point, including any term sheets preceding or supporting agreements made by the Tasmanian Government with the LK Group, including the earlier draft short term sheet. It does not include the draft term sheets under active negotiation.

2. Has the agreement for sale of the Crown Land at Wilkinsons Point been finalised?

No.

(a) If so, please provide an unredacted copy of the agreement and final sale price?

Not applicable.

(b) If not, what and who does the negotiation process involve and when it is expected to be finalised?

The sale of the land is contingent on the finalisation of a land sale and development agreement. A process is underway with representatives from the Department of Premier and Cabinet, Department of State Growth, legal counsel acting for the Crown, representatives from the LK Group and their legal counsel, to work towards the finalisation of the land sale and development agreement.

3. Did/will the disposal of the land adhere to the legislative and policy requirements set out in the *Crown Lands Act 1976*, the *Financial Management Act 2016*, the Treasurer's Instructions and the Disposals Better Practice Guidelines? Please provide detail to demonstrate adherence.

Yes, it will.

4. Why did the Government choose not to undertake an Expression of Interest Process for the sale of land, and

The development of the Wilkinsons Point precinct was a key term of the establishment of a Tasmanian National Basketball League (NBL) team. As part of this arrangement the Tasmanian Government entered into agreement with:

- Glenorchy City Council to purchase the Derwent Entertainment Centre (DEC) and surrounding land in the Wilkinsons Point precinct; and
- LK Group to upgrade the DEC, establish and operate a Tasmanian NBL team and develop the Wilkinsons Point precinct.

(a) How does this decision align with the above mentioned legislative and policy frameworks in question 3?

Refer to answer 3.

5. With no expression of Interest process for the sale of the land, how can the Government be sure the true value of the land has been realised?

The valuation of the land is and will continue to be made by the Office of the Valuer-General and the reserve price fixed by the Director-General of Lands in accordance with the *Crown Lands Act 1976*.

6. What financial commitment has the Government made towards the proposed development at Wilkinsons Point?

The final decision of any financial commitment will be subject to a decision of Cabinet and Budget Committee.

7. Is the Government's financial commitment budgeted for? If so, in what budget year?

The Government has made provision in the Budget since 2019 for the establishment of a Tasmanian NBL team. Further financial commitments will be budgeted in the 2025-26 Budget, subject to the approval of the Budget Committee and Cabinet.

8. Did/will the Valuer-General assess the land at its current value or improvement value, given the Government's commitment to invest in making the land development ready?

The Government, through the Department of State Growth, has engaged the Valuer-General to assess the valuation of the land that may be sold (section 13(3) of the *Crown Lands Act 1976*). The Valuer-General was engaged using standard processes, requesting the assessment of the value of land under the *Valuation of Land Act 2001*. The assessment is based on the land having services available for connection at transfer of title, that is with access by road and to water, sewer and electricity.

9. What holding costs have been incurred on the land since the Government purchased it from Glenorchy City Council?

The Government pays rates and water charges.

10. Has the LK Group paid any holding costs?

No.

11. Has the LK Group paid a deposit for the land, and if so, how much has been paid?

No.

12. Do the terms and conditions of the sale agreement include that the land returns to the ownership of the Crown if the proposed development does not occur?

The sale and development of land agreement is not finalised with the terms under active negotiation, including any terms around buy backs. It is intended that buy-back provisions will be included in the sale and development of land agreement.

13. How will the project be staged and is the land transfer to be staged accordingly?

It is envisaged that the land transferred will be staged in accordance with progression towards development stages.

14. A December 2020 Public Works Committee held the establishment of the Tasmania JackJumpers NBL team was underpinned by six legally binding agreements, five of which had been finalised and one for which a terms sheet had been established to underpin negotiations:

(a) please provide an unredacted copy of those agreements, and

See attachments.

(b) provide an unredacted copy of the terms sheet.

See attachments.

15. An Infrastructure Tasmania submission to the December 2020 Public Works Committee inquiry noted that ‘key terms agreed by the parties would give effect to... the LK Group paying the Tasmanian Government \$6 million for development land with title/s to transfer at a time within the next five years when a range of agreed conditions have been satisfied’.

(a) How was the \$6 million figure determined?

(b) Is the Government bound to this \$6 million sale figure?

(c) What ‘agreed conditions’ were to be satisfied?

(d) Have these agreed conditions been satisfied?

The land will be sold at no less than the reserve price set by the Director-General. The sale price and conditions precedent for the sale of the land to the LK Group will be finalised as part of the negotiations.

If you have further questions, you can contact Denise McIntyre, A/Deputy Secretary Strategy, Housing, Infrastructure and Planning, by email at [REDACTED]

Yours sincerely



Jeremy Rockliff MP
Premier