

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

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18 OCT 2024

Mr Simon Scott
Secretary
Parliamentary Standing Committee of Public Accounts
Simon.Scott@parliament.tas.gov.au

Dear Mr Scott,

I am writing in response to the letter from the Hon Ruth Forrest MLC, Chair of the Parliamentary Standing Committee of Public Accounts, dated 3 October 2024. Thank you for the opportunity to clarify the record regarding the University of Tasmania's (UTAS) redevelopment of the Newnham Campus as part of its Northern Transformation project.

As the Committee would be aware, the relocation of UTAS's Newnham Campus to Inveresk was a key element of the Launceston City Deal (LCD), announced in 2017. Under the LCD, the Department of Defence (DoD) committed to establishing a new Defence Cadet Training Facility (DCTF) in the northern suburbs of Launceston. This relocation would allow the DoD to vacate the Paterson Barracks site, making the centrally located property available for future development.

The Newnham Campus is subject to a land title condition requiring the property to be used for educational purposes. If UTAS ceases to use the land for this purpose, ownership reverts to the Crown. Under the LCD and through negotiations around the Northern Transformation project, the Government agreed to remove the educational condition on the title to enable UTAS to redevelop the Newnham land. This redevelopment would proceed in accordance with a Master Plan developed by UTAS and subject to Ministerial approval, which was granted on 18 September 2021.

Before the condition on the title could be removed, several additional requirements had to be met. These included providing an updated survey plan and issuing separate titles aligned with that plan. Furthermore, UTAS and the Crown needed to agree on the terms of a mortgage deed, which the Crown would register as a first-ranking real property mortgage over the remaining Newnham land. This measure ensures that UTAS's developments align with the agreed Master Plan.

It was agreed by parties that once these steps were completed, UTAS would surrender a portion of the land for Homes Tasmania. At the same time, the Crown would remove the educational condition, and the covenant and mortgage would take effect, with all actions occurring contemporaneously.

In mid-2022, when the steps were about to be executed, it was determined that the method for removing the educational condition was no longer appropriate, necessitating an alternative approach. Meanwhile, the DoD had confirmed the location for its DCTF, and the relevant land had been subdivided from the main title and a sale agreed by UTAS to the DoD.

When the issue with removing the condition arose, a solution was presented to UTAS that would ensure it was not disadvantaged during the ongoing process to remove the condition from the remaining land. However, UTAS sought to use the Government's urgency to advance the DCTF

project to negotiate favourable concessions on other matters related to the Northern Transformation project.

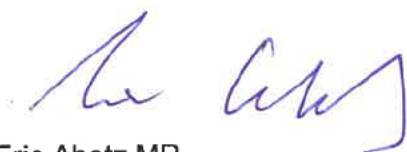
This led to several months of commercial and legal negotiations, during which UTAS altered its position multiple times. An in-principle agreement was eventually reached earlier this year, which was subject to Ministerial and Cabinet approval. Following these negotiations, the necessary documents to formalise the agreement were prepared and provided to UTAS in draft form.

It is, therefore, inaccurate for UTAS to claim that it has taken six years of negotiations to remove the condition on the title to allow the redevelopment of the Newnham Campus. A letter I wrote to UTAS, included as an attachment to this submission, provides further background and explains the process proposed to resolve this matter.

The Tasmanian Government is committed to upholding its agreements and looks forward to the resolution of this matter as soon as possible.

Thank you for the opportunity to respond to the Committee's inquiries. If I can be of further assistance, please do not hesitate to contact my office.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eric Abetz', is written over a faint, larger blue ink signature that is partially visible in the background.

Eric Abetz MP
Minister for Business, Industry and Resources

Attachment 1 – Ministerial Correspondence to UTAS Vice-Chancellor

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19 SEP 2024

Professor Rufus Black
Vice Chancellor
University of Tasmania
Email: [REDACTED]

Dear Professor Black

I write to reiterate the Tasmanian Government's ongoing support for the University of Tasmania's (UTAS) relocation of its Launceston campus to Inveresk and the redevelopment of the Newnham land.

The Government has committed \$60 million to the Northern Transformation Project and looks forward to seeing Inveresk become a thriving campus engaging 10,000 students by 2032 and with an agreed ultimate target of 16,000 students, researchers and staff on the campus.

The Tasmanian Government is also keenly anticipating the redevelopment of the Newnham land according to the agreed master plan.

As you are aware, the current titles to the Newnham campus are subject to a condition that once the land ceases to be used for educational purposes, they revert to the Crown.

In order to remove that condition on title, effect the important sale of Lot 2 to the Department of Defence to progress its cadet facility and to attempt to deliver the Lot 3 land unencumbered to UTAS, the Crown has proposed (subject to final Ministerial approvals) the following process that I understand has been agreed to in principle by UTAS:

- Contemporaneously, at a settlement between the Crown and UTAS:
 - the parties will exchange signed counterparts of (i) a deed varying and restating the Inveresk Grant Deed; (ii) a deed of surrender of the Newnham land; (iii) a Newnham Redevelopment Deed; and (iv) a lease from the Crown to UTAS over Lot 3 of the Newnham land; and
 - UTAS will give to the Crown (i) a signed instrument of transfer of the Newnham land, effecting the surrender; and (ii) evidence that UTAS's leases to existing tenants at Newnham have been brought to an end and continued as subleases (as from the settlement date);
- the Crown will then make payment of those instalments of the Inveresk Grant that will be due and payable under the restated Inveresk Deed;
- the Crown will commence a process to sell Lot 2 of the Newnham land to the Commonwealth Department of Defence (DoD);
- the Crown Lands Minister will bring a notice before both Houses of Parliament, commencing a process under s64 of the Crown Lands Act 1976 (CLA) to attempt to transfer an unconditional fee simple in Lot 3 of the Newnham land back to UTAS, subject to UTAS granting a mortgage

and a covenant to the Crown over Lot 3 securing UTAS's obligations under the restated Inveresk Grant Deed and the Newnham Redevelopment Deed.

The immediate effect of the proposed surrender and lease back to UTAS is that UTAS will be able to continue its operations at Newnham and the Tasmanian Government will be able to sell Lot 2 to the DoD for construction of its Cadet Defence Facility.

This is a project we have been most anxious to see commence as it offers a tremendous opportunity for youth engagement in Launceston's northern suburbs and will play a vital role in the relationship with DoD as the Defence and Maritime Innovation and Design Precinct grows at Newnham.

The proposal will also, through the restating of the Inveresk Grant Deed that sees particular conditions precedent moved to the Newnham Redevelopment Deed and certain Inveresk milestones pushed back, allow for payments of instalments to resume, including an increased instalment amount to offset UTAS's costs to develop and subdivide Lot 2 for sale to DoD.

If and when the proposed s64 process is successful, the Crown Lands Minister would then be free to transfer Lot 3 back to UTAS (subject to the mortgage and covenant), at which point UTAS's lease of Lot 3 would cease and the Newnham Redevelopment Deed would effectively become operational.

While our officers have been working diligently and collaboratively on the pathway to effect the above proposal, I am aware the time taken to reach an agreement was complicated by UTAS's unwillingness to deal with Lot 2 immediately as a separate matter, instead insisting on using this to negotiate further changes to the Inveresk Grant Deed, including the separation of requirements to develop Newnham into a separate deed and offsetting costs incurred in the development of Lot 2.

The Government has agreed to this approach and hopes there will be no further delays.

I trust this letter explains the proposed process and steps the Government is willing to take to continue to advance the very important Northern Transformation Project and associated developments.

Please continue to work with staff from the Office of the Coordinator-General on this matter but do contact me or my office if we can be of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eric Abetz', is written over a horizontal line.

Eric Abetz MP
Minister for Business, Industry and Resources