

**TREASURER'S INSTRUCTION**  
**FINANCIAL MANAGEMENT ACT 2016**

**CONTRACTS - MAJOR OFFICE ACCOMMODATION LEASES**

**EFFECTIVE DATE**

1 July 2019

**SCOPE**

This Treasurer's Instruction applies to all agencies listed in Column 1 of Schedule 1, Part 1 in the *Financial Management Act 2016*.

**APPLICATION**

At all times.

**OBJECTIVE**

To provide information on the management of *major office accommodation leases*.

**INSTRUCTION**

**Interpretation and Definitions**

"*Hobart CBD*" means the:

- "Central Business Zone" under the *Hobart Interim Planning Scheme 2015*; and
- the land and water subject to the *Sullivans Cove Planning Scheme 1997*;

as amended from time to time under the relevant planning schemes.

A "*lease*" includes any agreement for lease, lease renewal or lease granted upon the exercise of an option to renew a lease within an existing lease (where the Crown has the sole right to exercise).

A "*major office accommodation lease*" means:

- within the *Hobart CBD*, a lease that comprises a net lettable area of 400m<sup>2</sup> or more; and
- for all other areas in Tasmania, a lease that comprises a net lettable area of 150m<sup>2</sup> or more.

The size of the *lease* is to include but is not limited to:

- any area, office accommodation, storage or other related space; and
- all floors leased within a building regardless of whether they are subject to different *lease* arrangements; and
- multiple buildings on the same land title or conjoined titles, where the *lease* is effectively over one area.

## **General**

- 2.1 Agencies must, in conjunction with the Department of Treasury and Finance, liaise and co-ordinate office accommodation strategies to achieve the following whole-of-government office accommodation management objectives:
- 2.1.1 maximisation of occupation and utilisation of existing *Crown* owned office accommodation;
  - 2.1.2 maximisation of occupation and utilisation of existing *Crown* leased office accommodation; and
  - 2.1.3 compliance with clauses 2.1.1 and 2.1.2 in the take up of *lease* options and end of *lease* renewals.

## **Centralised management of major office accommodation leases**

- 2.2 All *major office accommodation leases*, including extensions, variations or the exercise of any rights pursuant to the *lease* must be negotiated by the Department of Treasury and Finance, with the support of the tenant agency.
- 2.3 All *major office accommodation leases* must be signed by the Department of Treasury and Finance.
- 2.4 Advice must be obtained from the Office of the Crown Solicitor and the Office of the Valuer-General before entering into *major office accommodation leases*.
- 2.5 The Department of Treasury and Finance will assign Agencies to designated tenancies.
- 2.6 The Department of Treasury and Finance must be provided with all supporting documentation associated with *major office accommodation leases*.
- 2.7 Agencies sub-leasing office accommodation from another Agency must enter into a formal arrangement with the head tenant Agency. The formal arrangement must detail the leasing obligations and responsibilities being assumed. Approval of the sub-lease must be obtained from the Department of Treasury and Finance.

## **Relocation of agencies**

- 2.8 The Department of Treasury and Finance must authorise all Agency relocations.
- 2.9 An Accountable Authority proposing a relocation must demonstrate that the policy objectives in clause 2.1 are being met with respect to the overall Government owned and leased office accommodation portfolio.

## **ADDITIONAL GUIDANCE**

Further information in support of this Treasurer's Instruction can be found in the Contracts Better Practice Guidelines.