

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

**CONTRACTS - MAJOR OFFICE ACCOMMODATION LEASES**

**EFFECTIVE DATE**

1 July 2020

**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:

- a lease of premises for office accommodation:
  - 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; but

- **excludes** ancillary office accommodation attached to medical consulting suites and clinical facilities, hospitals, police and ambulance stations, electorate offices, schools, research establishments and laboratories, field stations, warehouses, storage and garaging facilities and shopfronts.

When determining the net lettable area, the size of the *lease* is to include but is not limited to

- office accommodation, ancillary 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.