Department of Treasury and Finance

Tasmanian Government

Minute to the Treasurer

Critical Date: 15 November 2024

Subject: Recommencement of the Treasury Building Complex Divestment

Approved/Not approved/Noted

Hon Guy Barnett MP
Deputy Premier
Treasurer

Treasurer/Minister comments:

s27(1)(b)

[redacted]

Recommendation:

s27(1)(b) [redacted]

Gary Swain
Secretary

13 November 2024

Background:

Following the Government's announcement on 10 November 2024, the Department of Treasury and Finance has begun establishing project resources including suitably qualified staff to manage the divestment and has commenced the procurement of specialist consultants and preparation of due diligence material.

A Construction Tender seeking a suitably qualified building and construction contractor, for the first of several capital works (office fitout) projects for the Treasury Building Complex closed on 6 November 2024. This tender will need to be discontinued and tenderers advised.

There are also several minor and major works contracts and projects underway including conservation projects relating to the internal and external fabric of the building, along with a recently appointed architect to undertake design work for the remainder of the site. These projects will also be halted.

s27(1)(b) [redacted]

Due to the size and complexity of the divestment process, the Project Team has commenced a procurement process to engage a communications consultant and a divestment adviser to assist and support the divestment process.

A Request for Quotation (RFQ) to engage a communication consultant and a Request for Tender (RFT) to engage a divestment adviser are currently being prepared by Treasury.

The successful divestment adviser will provide strategic advice to Treasury to maximise public value, including achieving the highest possible sale price. Subject to the advice of the divestment adviser it is anticipated that they will facilitate a multistage public open process that includes;

- Registration of Interest Phase - interested parties invited to submit a ROI for the Treasury Building Complex as a precursor to the EOI and to gauge the market more broadly;

- Expression of Interest Phase - an EOI issued to shortlisted respondents to the ROI process. It is proposed that the EOI process will include the requirement for initial financial and non-financial offers for the site. The non-financial offer will be expected to include initial development and/ or reuse concepts; and

- Request for Tender Phase - will be undertaken with a refined group of EOI respondents. These respondents will be requested to provide firm tender offers. It is intended that the successful respondent will enter into an agreement with the Crown which will ratify all contractual terms and conditions and the responsibilities of the contracting parties.

This process is consistent with the previous Treasury Building Complex Divestment Project in 2019 and the *parliament square* Project.

Creation of Title

There is currently no title for the Treasury Building Complex, the site is currently unallocated Crown land. s27(1)(b) [redacted] In the case of *parliament square,* there were several historical reservations that were revoked by site specific legislation to enable the creation of the title.

This was through the passage of the Crown Land *(Parliamentary Precinct Redevelopment) Act 2009* where the Act made the land unalienated land free from limitations. There were three pieces of project specific legislation passed by both Houses of Parliament to enable the parliament square redevelopment at various stages of the project.

s27(1)(b) [redacted]

s27 [redacted]

Sale of Site under *Crown Lands Act 1976*

Treasury administers major Crown land sales, covering non-strategic surplus Government property and Government office buildings. All sales are undertaken in accordance with the *Crown Lands Act 1976.*

The Minister for Parks is the Minister responsible for the Act and for approving the sale of Crown land.

The *parliament square* site was sold via a Development Agreement in accordance with the *Crown Lands Act 1976 (s13).* s27(1)(b) [redacted].

s27(1)(b) [redacted]

s27(1)(b)

[redacted]

Document reference: 24/238613

Contact Officer: Alison Steele
Director
Property Branch

Telephone: (03) s36

Department of Treasury and Finance

The Treasury Building
21 Murray Street HOBART TAS 7000
GPO Box 147 HOBART TAS 7001 Australia
Telephone (03) 6166 4444 Facsimile (03) 6173 0219
Email secretary@treasury.tas.gov.au Web www.treasury.tas.gov.au

Tasmanian Government

Minute to the Treasurer

Critical Date:

Subject: 2019 Treasury Building Complex Divestment Process

Approved/Not approved/Noted	**Treasurer comments:**
26/11/2024 Hon Guy Barnett MP **Deputy Premier** **Treasurer**	

Recommendation:

s27(1)(b) [redacted]

Gary Swain
Secretary

20 November 2024

Background:

Following the Government's announcement on 10 November 2024, Treasury has begun establishing project resources including suitably qualified staff to manage the project and has commenced the procurement of specialist consultants.

2019 Process

Following an announcement in the 2018-19 Budget, a three-stage divestment process, commenced and included public consultation, detailed due diligence and a public open ROI/EOI process. This process progressed through to the receipt of Expressions of Interest before an announcement was made on 7 May 2020, by the then Treasurer, that the divestment process was to be deferred. It should be noted that public consultation occurred concurrently with the ROI/EOI process.

The table below outlines the process undertaken in 2019:

Activity	**Date**
Project Commenced - Government announced the intention to undertake a divestment process for the Treasury Building Complex.	14 June 2018
Due Diligence	Throughout all stages below (there were several other professional engagements that were needed to produce information and advice as part of due diligence process).
Request for Tender - Divestment Adviser	2 March 2019
Request for Quotation - Communications Consultant (Stage 1)	13 March 2019
Contract executed - Communications Consultant (Stage 1)	8 May 2029
Contract executed - Divestment Adviser	8 July 2019
Divestment Process Stage 1 - Registration of Interest (ROI) released to market - interested parties were invited to submit a ROI for the Treasury Building Complex as a precursor to the EOI and to gauge the market more broadly;	**30 August 2019**
Request for fee proposal (direct select) - Communications Consultant (Stage 2)	10 September 2019
ROI closed	2 October 2019 **(12 responses received - these represented 11 different consortia as two of the proponents, whilst part of the same consortia submitted**

	separate returnable schedules)
Divestment Process Stage 2 - Expression of Interest (EOI) released - an EOI was issued to shortlisted respondents to the ROI process. The EOI process included the requirements for initial financial and non-financial offers for the site. The non-financial offer will be expected to include initial development and/ or reuse concepts.	**6 February 2020** **(9 proponents were invited to submit an EOI)**
Contract executed - Communications Consultant (Stage 2)	12 February 2020
EOI closed	9 April 2020 **(5 submissions received - see summary at Attachment A)**
Project Deferred - Government announcement that divestment process was to be deferred	**7 May 2020**
Project Closed - Government announcement that divestment process would not continue and that the Treasury Building Complex would be retained for use by the Department of Treasury and Finance as office accommodation	**November 2020**

Consultancies

As noted above, there were two main consultants engaged to assist with the process, being a communications consultant and a divestment adviser.

Communications Consultant

The communications consultant (Tania Parkes Consulting) was engaged twice during the 2019 project and the services provided included:

- developing a communications and stakeholder management plan and consultation summary report;
- undertaking stakeholder engagement and communication (including facilitating public consultation) and updating the project team on consultation;
- facilitating round table discussions with business, industry and community representatives;
- reporting on consultation outcomes; and
- input into website content and the provision of draft media and other communications.

The communications consultant played a key role in managing and facilitating the consultation process including most of the stakeholder and interested party engagement. Noting the key role the communications consultant played in the 2019 process, it is considered necessary to the success of the current project to gain engage a consultant,

however it is intended that this would be a single engagement for the duration of the project.

Divestment Adviser

The divestment adviser (Price Waterhouse Cooper) was engaged to provide commercial advice and assistance in relation to the divestment of the Treasury Building Complex. The scope of services included (noting that some of these services were not required due to the cessation of the project):

- formulating the divestment process and divestment program for the Treasury Building Complex;
- undertaking and assisting with due diligence in relation to the Treasury Building complex to support divestment of the Treasury Building Complex;
- preparing divestment documentation;
- engaging with prospective bidders;
- evaluating submissions from bidders (including against financial and non-financial criteria);
- undertaking negotiations with one or more preferred bidders; and (vii) execution of contractual arrangements.
- preparing ROI and EOI documentation, including the criteria against which proponents are to be assessed at each stage;
- developing and maintaining a web site for marketing and promotional material throughout the divestment process;
- co-ordinating the collation of a data room to provide information to participants in the divestment process;
- collaborating with Treasury to develop and implement a marketing and sales strategy and prepare associated marketing material;
- liaising with all prospective bidders engaged in the divestment process on behalf of the Principal, including identifying potential bidders who may be interested in the divestment and liaising with unsuccessful respondents at each stage of the process;
- prepare responses for the Principal in response to questions asked and issues raised by prospective bidders during the divestment process; and
- preparing transaction (contract) documentation with OCS.

The divestment adviser played an key role in designing the process, developing the documentation used for the relevant stages of the process as well as evaluating and providing advice in relation to the submissions. It is considered critical to the success of the current process that a divestment adviser be engaged. The project team have commenced work on pre-procurement with a view to advertising a Request for Tender prior to the Christmas period.

Due Diligence

There were several other professional engagements that were needed to produce information and advice as part of due diligence processes for the 2019 process, including:

- Planning consultant, engaged to develop a Conservation Management Plan for the site.
- Infrastructure services consultant, engaged to provide a Treasury Building Complex Infrastructure Services Assessment report.
- Archaeological consultant, engaged to prepare a Statement of Archaeological Potential and Archaeological Zoning Plan.
- Architectural historian (consultant), engaged to compile a Movable Heritage Items register and valuation.
- Probity Adviser, engaged to provide probity services throughout the process.

Whilst it is possible that some of the information produced, and advice provided through these engagements will be able to be reused it is likely that some will need to be revisited and updated to inform the current process, as such it is also likely that professional engagements will be required for the current process.

Next Steps

As previously noted, a project team has been formed and have commenced the processes required to procure the services of a communications consultant and a divestment adviser. It is anticipated that both of these procurements will be released to market prior to the Christmas period.

It is intended that a Probity Advisor will also be appointed in the near future to ensure that probity related matters can be addressed from the outset of the project.

Document reference: 24/244209

Contact Officer: Alison Steele
Director
Property Branch
Telephone: (03) s36 [redacted]

s27

s27

Department of Treasury and Finance

Tasmanian Government

Minute to the Treasurer

Critical Date: No Critical Date

Subject: Rebecca White correspondence - Levendale Community Centre

Approved/Not approved/Noted	**Treasurer comments:**
Hon Guy Barnett MP **Deputy Premier** **Treasurer** 4/3/25	

Recommendation:

s27(1)(b) [redacted]

for Gary Swain
Secretary

26 February 2025

Background:

On 12 February 2025, the former Member for Lyons, Rebecca White wrote to the Hon Nick Duigan MLC, as the Minister for Parks regarding a Crown owned property located at 1315 Woodsdale Road, Levendale.

The property is the former Levendale Primary School and has been used more recently by the Southern Midlands Council as a community centre. In 2023 the Council surrendered the property back to the Crown as it had no ongoing need for the site. However, Council did wish to retain a portion of the property containing playground equipment, so the Department of Natural Resources Tasmania undertook a subdivision of the title to facilitate this.

In November 2024, NRE Tas referred the property to the Department of Treasury and Finance to undertake a public sale process in accordance with section 13 of the *Crown Lands Act 1976*.

Treasury offered the property to other Government agencies, with none showing interest in acquiring the site. Treasury is currently awaiting a market valuation from the Office of the Valuer-General so that the reserve price can be set by the Director-General of Lands. Once the reserve price has been determined, the necessary approval to sell the land can be obtained from the Minister responsible for the Act. Following receipt of approval, Treasury will engage a real estate agent in the local area to undertake the marketing and sale of the property.

List of attachments:

1. Prepared response to Dean Winter.

Document reference: 25/37197

Contact Officer: Alison Steele
Director
Property Branch
Telephone: (03) s36 [redacted]

Department of Treasury and Finance

Tasmanian Government

Minute to the Treasurer

Critical Date: No Critical Date

Subject: s36 [redacted] - Lot 1 and Lot 2, 8-10 Somerville Street, Sorell

Approved/Not approved/Noted	**Treasurer comments:**
Hon Guy Barnett MP **Deputy Premier** **Treasurer**	

Recommendation:

It is recommended that you:

1. note the contents of this Minute regarding the sale of the former Sorell police station and residence, located at Lot 1 and Lot 2, 8-10 Somerville Street, Sorell.
2. sign the attached response to the s36 [redacted], an interested party representing the Key to Life Church Inc.

for Gary Swain
Secretary

14 March 2025

Background:

On 24 February 2025, s36 Key to Life Church Inc wrote to the Hon Guy Barnett MP, as the Treasurer, regarding two Crown owned properties located at 8-10 Somerville Street, Sorell.

The properties consist of a former Sorell Police Station (Lot 1) and residence (Lot 2). In October 2023, the Minister for Police, Fire and Emergency Management, the Hon Felix Ellis MP declared the property surplus to the requirements of DPFEM.

In October 2024, DPFEM referred the properties to the Department of Treasury and Finance to undertake a public sale process in accordance with section 13 of the *Crown Lands Act 1976*.

Treasury offered the properties to other Government agencies, with none showing interest in acquiring the site. Treasury is currently awaiting a market valuation from the Office of the Valuer-General so that the reserve price can be set by the Director-General of Lands. Once the reserve price has been determined, the necessary approval to sell the land can be obtained from the Minister responsible for the Act. Following receipt of approval, Treasury will engage a real estate agent in the local area to undertake the marketing and sale of the property.

List of attachments:

1. Prepared response to s36

Document reference: 25/43283

Contact Officer: Alison Steele
Director
Property Branch
Telephone: (03) s36