Tasmanian Government

DEPARTMENT OF STATE GROWTH

		APPROVED/NOT APPROVED
Dept. Ref	MIG25/960	
Critical Signing Date		
		SIGNED:
		DATE:

MINUTE FOR THE PREMIER

SUBJECT: NEGOTIATIONS FOR THE SALE AND DEVELOPMENT OF LAND AT WILKINSONS POINT

Minister's notation:

Recommendation:

That you:

1. **NOTE the Tasmanian Government's commitment to establish a National Basketball League (NBL) team was underpinned by an agreement signed by the Premier in February 2020 which included a high level term sheet to negotiate a future land sale and development to the Larry Kestelman Group (LK Group) for the land surrounding MyState Bank Arena (MSBA) at Wilkinsons Point, Glenorchy.**

2. **NOTE the in-principle agreement was silent about car parking arrangements for the MSBA, as earlier discussions considered the existing car parking near the Brooker Highway would continue to be available to service the MSBA. LK Group**

3. **NOTE in March 2024 you wrote to the LK Group stating the government would seek to finalise the land sale and development agreement on "no worse" commercial terms than the original in-principle agreement and the LK Group made an offer in accordance with the in-principle agreement to commence negotiations.**

4. **NOTE in May 2024 a Ministerial decision increased the amount of land available for sale by moving the community sports and high-performance training facility from Wilkinsons Point (MIG24/5279).**

5. **NOTE in November 2024 it was a decision of Cabinet to commence negotiations with the LK Group for the land sale and development agreement, including the approval of a contribution towards a multi-storey carpark at a capped amount of s.27 [redacted] (CABD – 241100326) and subject to a decision of the Budget Committee.**

6. s.27 [redacted]

7. [redacted]

8. [redacted]

9. [redacted]

1 [redacted]

1 [redacted]

12. **APPROVE the Departments of Premier and Cabinet and State Growth ceasing negotiating with the LK Group and to consider other options such as releasing the surplus land to the open market.**

Current Situation:

- The current negotiations to sell Crown land at Wilkinsons Point flows from the LK Group's deal to establish a NBL team, the JackJumpers, in Tasmania.

- On 19 December 2019, the government advised that the Crown would purchase the entire Wilkinsons Point site, including MSBA (then the Derwent Entertainment Centre [DEC]) from the Glenorchy City Council. The government would then sell the land not required by the Crown to the LK Group, provided the site was development ready with vehicle access through the realignment of Loyd Road and fully serviced headworks.

- Some terms of the original in-principle 2020 agreement are:
  - The LK Group pays the government $6 million for the land to be agreed, subject to Tasmanian legislation for sale of Crown land, and reaching agreement on the broader development of the site.
  - The government fund up to $41 million and the LK Group fund $5 million for the upgrade of the MSBA and the multi-sport and high-performance training facilities.

[1] Note: The concept design for the carpark is owned by the LK Group and cannot be released to another without its express knowledge and consent.

- The in-principle agreement through an indicative term sheet (February 2020) identified some outstanding issues including:
    - The parties had not agreed the area of the land to be sold, as the Crown was to identify the land to be retained[2]. A subdivision plan to address operation and sharing of car parking areas.

- In March 2024, the Premier affirmed his commitment to progressing the negotiations for the land sale and development agreement with the deal to sell the land to be 'no worse' than the earlier deal. In November 2024, the decision to progress negotiations was supported by Cabinet.

- Negotiations commenced in December 2024 but are not finished. The negotiations have taken some time because as the LK Group have not finalised their planned development of the broader site, with the land they are offering to buy also subject to recent change.

- The need to build a multi-storey car park is due to the LK Group's plans for a higher intensity development of the site, with a direct impact on car parking as:

    - the at level main car park at the Brooker Highway frontage to the site, currently used to service the MSBA, will no longer be available as the LK Group plan to buy and develop a retail and hospitality precinct on it
    - the existing at level overflow car park at the rear of MSBA, owned by the Crown but under a 49 year lease to the LK Group, is insufficient in size to provide for car parks lost from the main car park
    - the LK Group also require car parking for its proposed development

s.27 [redacted]

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s.27 [redacted]

- The Office of the Valuer -General has recently valued the land a $7.2 million (May 2025). The Director-General of Lands will consider this valuation and other factors to fix the reserve price under the *Crown Lands Act 1975*. It is probable that the sale price for the land from a sale to the LK Group will be less than $10 million, therefore, only partially offsetting the government's costs for headworks and realignment of Loyd Road.

- There are other options to dispose of the land.

- The State could retain the current MyState Bank arena and carpark and subdivide the residual land for disposal on the open market through an EOI process.

- In this approach the State would:
    - negate the significant investment in facilitating infrastructure required under the LK Group proposal;
    - be able to assess EOI submissions to determine which provides the best combination of sale price and economic and social development outcome; and
    - likely achieve a sale price in excess of the Valuer General's valuation of $7.2 million.

s.27 [redacted]

Out of Scope [redacted]

Craig Limkin
Secretary
State Growth

Out of Scope [redacted]

Shane Gregory
Associate Secretary
Premier and Cabinet

15 July 2025

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Attachments:
Attachment 1: Concept design of multi-storey car park
Attachment 2: Estimated cost of multi-storey car park

Document 2

Infrastructure RWM 2/10/24

Out of Scope
[redacted]

- Wiltons Pt. – Provide valuation. → Price set in 2019, Gvt Policy