

**Report of the Auditor-General  
No. 3 of 2025-26**

Proposed sale of Wilkinsons Point land

24 September 2025

**Auditing for a better Tasmania**

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# Foreword

The proposed sale of Wilkinsons Point land was part of an unsolicited proposal submitted by a proponent to the Tasmanian Government in 2019. The meaning of unsolicited is important in this context. It means the Government decided the proposal:

- was unique—it involved sponsoring a Tasmanian team in the National Basketball League, upgrading the Derwent Entertainment Centre, and constructing additional sporting facilities.
- would be implemented without offering the land for sale to the open market or opening it to other uses.

As implementation of the proposal has progressed, the uniqueness of the proposed land sale and development has fallen away—for example, Government moved the community sports and high-performance facilities from Wilkinsons Point to other locations.

This investigation focussed on State entities actions in the land sale process. I reviewed whether State entities provided honest, comprehensive, accurate and timely advice to the Government to support its decision-making on the proposed land sale<sup>1</sup>. I also reviewed whether good processes were present in departmental records. It was outside this investigation's scope to make any findings about the proponent.

I found significant shortcomings in advice and process. Failures that State entities must address to maintain public trust. The failures started with not adequately defining scope, risks and State-funded costs of the individual projects that made up the proposal.

Due to a restriction placed on my access to Cabinet documents however, I was unable to assess the quality of advice provided to Cabinet or whether State Growth's implementation of Government decisions was consistent with the parameters set. This restriction results in such investigations not being able to provide a full picture to the Tasmanian Parliament.

It is unfortunate that the creation of the JackJumpers is related to this investigation by being part of the proposal. The team's success since the 2021-22 NBL season speaks for itself. Its creation has also resulted in wider benefits, such as jobs and volunteer opportunities, and increased participation in basketball.

When our State entities use appropriate processes to support and implement Government decisions, they not only manage risk, but ensure positive outcomes to Tasmania receive appropriate recognition. This has not occurred in relation to the proposed sale of Wilkinsons Point land.



Martin Thompson  
**Auditor-General**

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<sup>1</sup> As required by the Tasmanian State Service Principles in Employment Direction 2.

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**2025  
PARLIAMENT OF TASMANIA**

**Proposed sale of Wilkinsons Point land**

**24 September 2025**

Presented to both Houses of Parliament pursuant to  
Section 30(1) of the *Audit Act 2008*

## **Acknowledgement of country**

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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# Executive summary

## Our conclusion

We investigated the Department of State Growth (State Growth)'s processes from 2019 to 2025 for the sale of publicly owned land and found they were inadequate. State Growth's processes did not support the identification and effective management of risks associated with the land sale process.

As at September 2025, the land sale process was not complete.

### Disclaimer

Our investigation was limited by our inability to access Cabinet documents. It meant that we could not assess whether State Growth's implementation of Government decisions was consistent with the parameters set by Cabinet. The Department of Premier and Cabinet's (DPAC) Cabinet Office advised it could not provide access to Cabinet documents because:

*Despite the broad powers in the (Audit) Act to request and inspect documents, those powers do not override the long-held principle of public interest immunity for Cabinet documents.*

## Summary of findings

### There was no business case to support the proposal's implementation

When something is complex, it is important to establish the framework to manage uncertainty, coordinate efforts, identify and address risk, and increase the chance of achieving the intended outcomes. This starts with a business case or plan. Both of which were absent in relation to the proposal.

The lack of a business case or plan meant public servants were not always operating within a framework that supported:

- them to operate ethically and transparently when implementing policies, decisions and programs of the government of the day or providing advice to Government<sup>2</sup>
- effective collaboration between entities
- transparent and accountable oversight.

### State Growth needed clarity on the policy parameters to implement Government decisions

Since 2020, the policy parameters guiding the land sale and development process changed multiple times. This resulted in a fundamental change to its nature.

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<sup>2</sup> NSW Public Service Commission, [Behaving Ethically: A guide for NSW government sector employees](#), accessed 27 August 2025.

State Growth should have identified the changing policy parameters as a risk to the implementation and sought to clarify the Government's policy position in early 2021 instead of late 2024. This would have enabled better governance arrangements, including risk management.

### **The changing policy parameters undermined the quality of advice**

The changing policy parameters meant that advice was often reactive rather than proactive and focused on dealing with immediate problems rather than making progress towards a longer-term defined goal. We sighted several papers headed "Urgent" and "Super urgent" and received testimony that on occasions there was not sufficient time to gather the necessary information within timeframes set. This created a sense of urgency relating to the provision of advice.

DPAC's assessment of the proposal against the Unsolicited Proposals assessment criteria<sup>3</sup> in 2019 was inadequate as it did not address all elements of the assessment criteria.

State Growth's advice from 2019 to mid-2024 was insufficient. An options analysis or business case had not established the benefits, costs and risks of the proposal early enough, and there were no alternate documents that confirmed that this exercise had been done. Clear advice on benefits, costs and risks of the proposal would have resulted in better informed decision-making.

While the quality of State Growth's advice did improve from mid-2024 onwards, there was still room for improvement. For example, a:

- February 2025 request from State Growth to the Director-General of Lands to set a reserve price for the proposed land sale was missing important contextual information
- July 2025 Minute to the Minister was silent on the potential implications associated with each course of action.

## **Response to the report**

We asked the Premier, Treasurer, Minister for Business, Industry and Resources, Minister for Parks, DPAC, Department of Natural Resources and Environment Tasmania (NRE Tas), Department of Treasury and Finance (Treasury), State Growth, and the Valuer-General to provide a response to the report.

We received responses, reproduced in Appendix C, from the Treasurer, DPAC, State Growth and NRE Tas. We did not audit these responses. Responsibility for the accuracy, fairness and balance of the response rests solely with those who provided it.

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<sup>3</sup> Department of Treasury and Finance, [Unsolicited Proposals Policy and Guidelines](#), accessed 25 August 2025.

## Recommendations

We recommended that ...	The responsible entity's response to the recommendation was ...	Expected completion is ...
1. DPAC establishes protocols to support State entities working with Ministers in a way that aligns with the State Service Principles. <sup>4</sup>	Accepted in-principle—DPAC will review the Ministerial Code of Conduct and other relevant documentation, in conjunction with the Premier's office, to determine if additional guidance or protocols are required.	March 2026
2. State Growth ensures it provides comprehensive advice to Government on the benefits, costs, and risks of a Government commitment before substantially implementing it.	Supported—as part of our continuous improvement program in relation to advice to Government State Growth will: update training and education to employees; focus on providing comprehensive advice as part of our 2025/26 performance management framework; and finalise the project management guidelines update.	June 2026
3. State Growth, with support from central agencies, develops a framework to reduce the risk of transactions of this nature to an appropriate level.	Supported—State Growth, with support from central agencies, will develop a framework to reduce the risk of transitions of this nature to an appropriate level. In the short-term. State Growth will identify appropriate frameworks from other jurisdictions that can be used to reduce the risk of transactions of this nature.	June 2026
4. State Growth updates its conflicts of interest policy to require conflicts of interest, or nil returns, to be a standing item in meeting agendas.	Completed—this work has been underway for several months and was endorsed in September 2025. State Growth will continue to regularly update this policy.	Not applicable

<sup>4</sup> Specifically, Section 7(1)(a), (d), (e), and (i) of the *State Service Act 2000*.

# 1. Introduction

- 1.1 To work well, our system of government relies on strong, respectful relationships and flows of information advice and decisions between Ministers' offices and government departments.
- 1.2 This supports public servants to provide advice to Government that is clear, non-political, and includes all the important facts.
- 1.3 It also allows Government to make a lawful decision that departments must implement, which may involve:
  - accepting the department's recommendations
  - making a different decision to what the department recommended.
- 1.4 It is outside this investigation's scope to make any findings about the proponent for the land sale and development.

## The proposal to buy Wilkinsons Point land

- 1.5 In June 2019, a proponent asked the Glenorchy City Council (the Council) if it could buy the Derwent Entertainment Centre (the DEC) and Wilkinsons Point.<sup>5</sup> The Council agreed and signed a time limited agreement with the proponent to negotiate on the sale. The agreement required the proponent to lodge an application to amend the Wilkinsons Point and Elwick Bay Specific Area Plan as soon as possible.
- 1.6 At the same time, the proponent asked for financial support from the State Government to upgrade the DEC and establish a Tasmanian NBL team.
- 1.7 In June 2019, State Growth advised the Premier on the proponent's proposal and the Premier allocated responsibility for the related works to State Growth.
- 1.8 In December 2019, the Treasurer:
  - advised that the State Government would only provide funding if Tasmania owned the DEC
  - proposed that the State Government buy the DEC and Wilkinsons Point from the Council and negotiate with the proponent regarding its proposal.

## Parties agreed to broad terms in 2020

- 1.9 In February 2020, the Premier sent correspondence and a terms sheet outlining the State Government's response to the proponent's proposal. A term sheet is not a legally binding document, its purpose is to inform the drafting of the detailed transaction documents.

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<sup>5</sup> The DEC is now known as MyState Bank Arena.

1.10 The key parts of the terms sheet were the:

- State Government buy the DEC and Wilkinsons Point from the Council
- NBL grant a licence to a Tasmanian NBL team to start playing in 2021
- State Government sponsor the NBL team by providing \$2 million each year for 5 years with an option to extend the agreement for another 5 years
- proponent upgrade the DEC
- State Government lease the DEC to the proponent for up to 49 years
- proponent pay the State Government \$6 million to purchase 'development land'—first proposed by the proponent at a Council meeting in late 2019
- parties consider building a high-performance training facility at Wilkinsons Point.

1.11 In June 2020, the Secretary of State Growth sent correspondence to the proponent confirming the terms sheet.

1.12 By November 2020, the parties had executed 5 of the 6 agreements. The outstanding agreement was for the land sale and development. A 5-year period was set for substantial commencement of the development of the broader Wilkinsons Point site.

### **A non-binding sale price was publicly released in December 2020**

1.13 In 2019, the Premier advised the proponent of the non-binding sale price of \$6 million.

1.14 In December 2020, State Growth released the \$6 million non-binding sale price in a submission to a Joint Standing Committee on Public Works inquiry.

1.15 The release of a sale price before appropriate processes have concluded is not standard practice. It can establish a reference point for decision-makers executing those processes and potentially influence their decisions. Additionally, the proponent could believe that this is the transaction price for the sale of the land.

### **Government policy changed over time**

1.16 Over the last 5 years multiple changes to Government policy affected the land sale and development including:

- a new ferry terminal was committed to as part of the 'Keep Hobart Moving' Plan which impacted the proponent's masterplan
- moving JackJumpers high-performance facility to Kingston
- moving the community multisport facility to another part of Glenorchy.

1.17 As part of the March 2024 election, the Premier sent a letter to the proponent committing that the Government would:

- instruct State Growth to finalise a commercial term sheet and final agreement regarding their Wilkinsons Point development as soon as practical but with an indicative maximum of 90 days

- the final agreement will consider the government delivering onsite infrastructure to progress the detailed development plan, including access to the ferry terminal, other headworks services, and car parking.

## **Negotiations on the proposed land sale started in 2019 and are still underway**

1.18 A negotiation period typically begins when 1 or more parties express an interest in entering into an agreement. Therefore, the proponent's interest in purchasing land at Wilkinsons Point in 2019 marked the start of negotiations.

1.19 In March 2024, the Secretary of State Growth indicated to the proponent that:

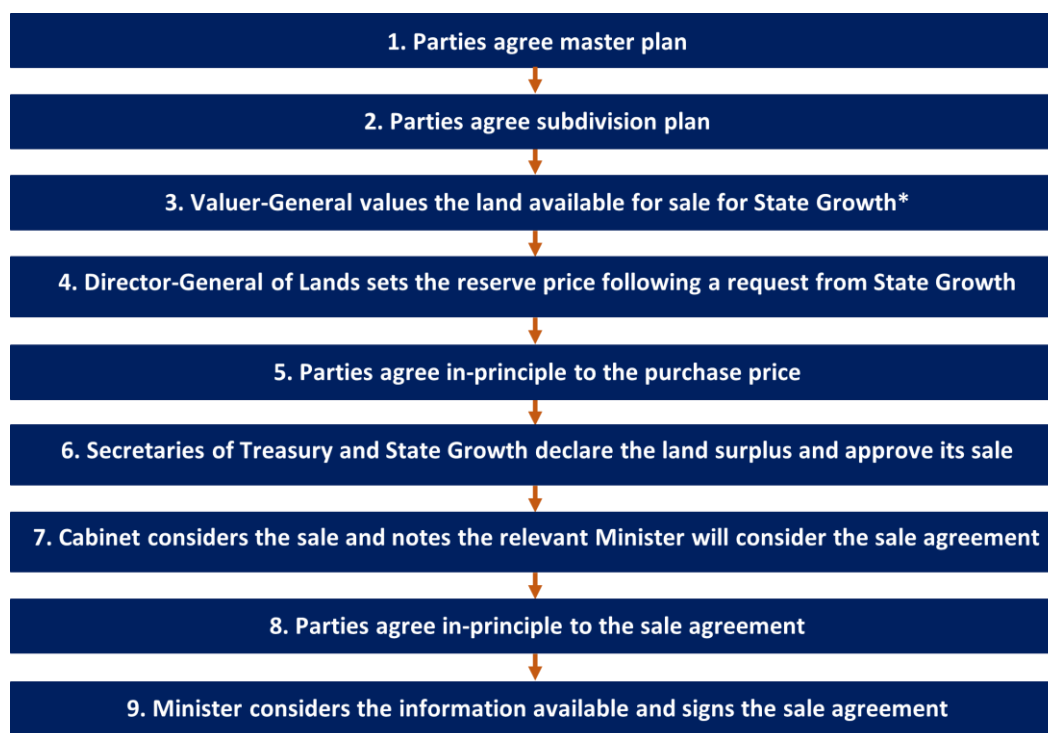
- the documents provided in 2019 were not a binding or finalised agreement
- State Growth would work with the proponent to negotiate the Land Sale and Development Agreement.

1.20 In February 2025, the State Government announced they had agreed to sell the Crown Land at Wilkinsons Point to the proponent at a value determined by the Valuer-General to enable the development of a multi-use retail precinct, a family resort and a hotel complex. As part of the agreement, the Tasmanian Government will proceed with developing common-use infrastructure including the Wilkinsons Point ferry terminal, services, and associated parking facilities.

1.21 There was however, no legally binding agreement with the proponent.

1.22 In July 2025, State Growth was still at the first step in the land sale process in Figure 1.

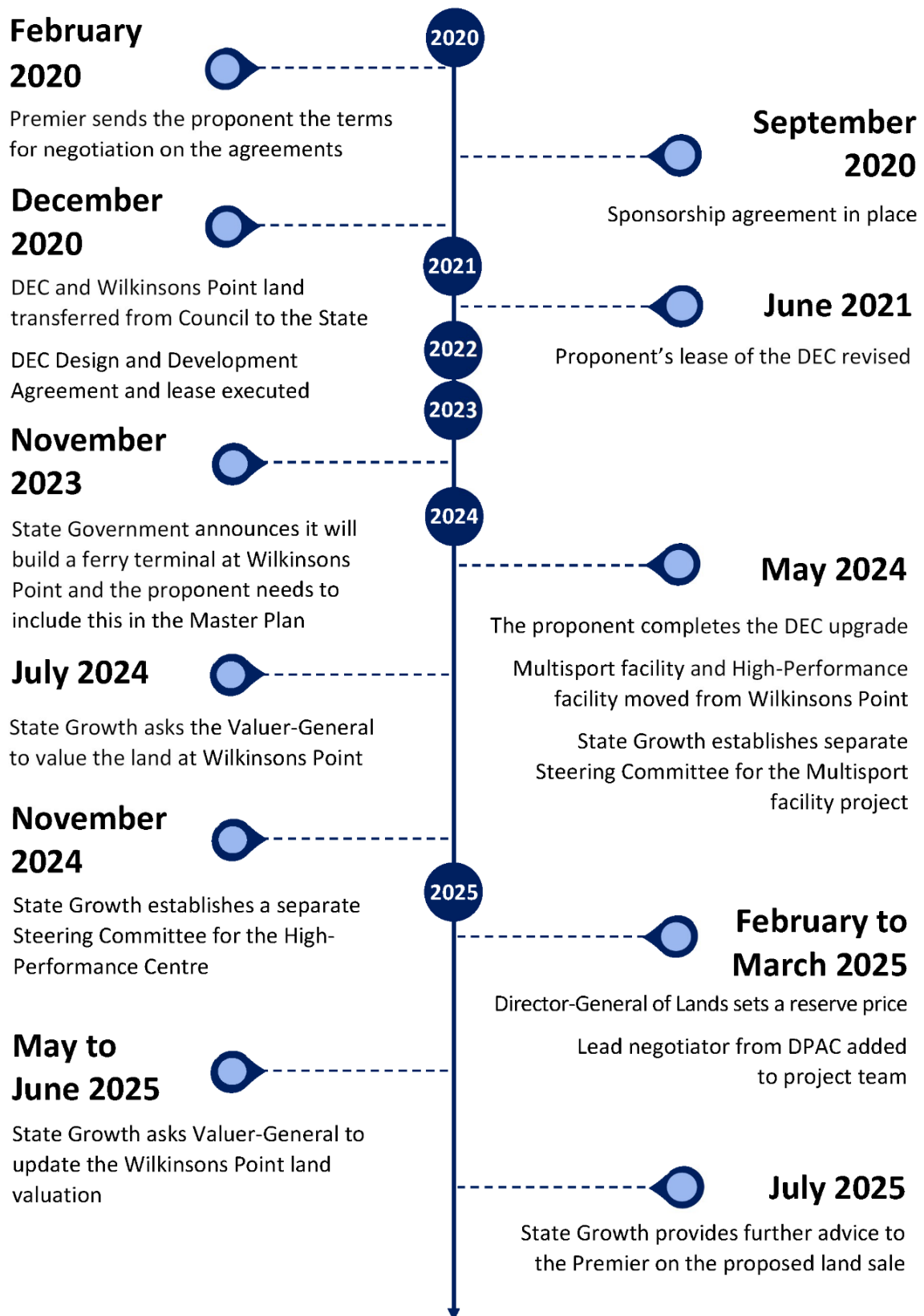
Figure 1: The legislated process the sale of surplus Crown land



Note (\*): State entities can request that the Valuer-General values the land. If requested, it is done under Section 51 of the *Valuation of Land Act 2001*.

## Timeline for the proposal

Figure 2: Key events relating to the proposal



## 2. Framework for assessing and implementing the proposal

<b>June 2019</b>	The State Government agreed to commence negotiations to establish a Tasmanian NBL franchise, develop the DEC and Wilkinsons Point precinct, and develop a community multi-sport venue. State Growth was allocated responsibility to lead negotiations relating to the proposal.
<b>February 2020</b>	<p>The State Government authorised State Growth to finalise terms sheets with the parties and develop legal transaction documents related to the:</p> <ul style="list-style-type: none"><li>• purchase of the DEC and surrounding land from Council</li><li>• DEC upgrade and operating lease</li><li>• sponsorship of a Tasmanian NBL team</li><li>• sale of Wilkinsons Point land to the proponent.</li></ul>

### There was no business case or plan for implementing the 2020 decision

2.1 The absence of a business case or plan to implement the 2020 decision meant that the foundation for informed decision-making was not in place. It also meant that:

- the scope of the projects within the ‘program of works’ was not clearly defined. This resulted in significant and frequent changes to, and delays in, the proposed land sale and development process
- risk management was inadequate, key risks remained unaddressed for years and increasing costs were common
- implementation was unstructured:
  - actions to implement the 2020 decision were reactive
  - advice and subsequent decisions had a perceived urgency, with advice labelled ‘urgent’, ‘super urgent’ or ‘as soon as possible’.

2.2 A key risk that was present from the outset, and was not addressed until November 2024, was that the in-principle agreements were not supported by a clear:

- policy intent—the outcomes that the Government were seeking to achieve
- policy—a plan to guide decisions and achieve those outcomes
- alignment with State entities (listed in paragraph 2.7) and other stakeholders in their understanding of and collaboration on the commitment
- supported transparent and accountable administration.



- 2.3 This risk could have been documented and addressed earlier through a business case or plan.
- 2.4 A business case may have also supported the State Government's request for funding from the Australian Government, as outlined in the following case study.

#### **Case study: Australian Government funding for the DEC upgrade**

In February 2020, the Premier wrote to the Federal Minister for Population, Cities and Urban Infrastructure requesting \$20.5 million in funding for the DEC Upgrade.

The Australian Government required a standalone project business case, including financial modelling, that demonstrated the viability of the project to progress the funding request.

While State Growth provided further information, a standalone project business case was not provided.

The funding request was not approved.

### **The lack of a business case or plan resulted in inadequate governance arrangements**

- 2.5 The reactive approach to the proposal was reflected in the way State Growth planned and implemented the 2020 decision. It moved straight to executing most of the agreements with the proponent.
- 2.6 State Growth did not create a Steering Committee for the proposal until September 2020, 17 months after the decision to negotiate with the proponent. This Steering Committee had oversight of the Tasmanian NBL team, DEC upgrade and Wilkinsons Point Development (including the community multisport and high-performance facilities).
- 2.7 However, as the related actions were not defined as a 'program of works' in a business case or plan, there was no subsequent plan that outlined:
- when each action was expected to reach completion
  - which State entities needed to collaborate on each action—work related to the actions involved:
    - DPAC
    - the Department of Treasury and Finance (Treasury)
    - the Coordinator-General
    - the Valuer-General
    - the Crown Solicitor
    - the Director-General of Lands
    - the Glenorchy City Council

- how or when relevant State entities would get involved in the work related to the actions
- what external expertise would be contracted for each action, when they would be contracted, and how involved they would be in the project team.

2.8 From November 2024, State Growth improved governance arrangements. For example, it:

- made the Steering Committee structure clearer, with Steering Committees created for the proposed land sale, high-performance facility and multisport facility
- better defined roles and responsibilities of those involved in negotiating the land sale and development agreement
- better integrated the required experts in the project team.

### **The lack of a business case or plan meant advice to Government was insufficient**

2.9 Both State Growth and DPAC provided advice to the Government to support the Government's decisions. Their advice did not clearly identify the essential issues for consideration, such as options for implementation and key risks. For example, a July 2025 Minute to the Minister was silent on the potential implications associated with each course of action.

2.10 The cause of this is an absence of a business case or plan as these documents would normally contain this information.

2.11 State Growth's advice also did not:

- make recommendations that were 'standalone' in that it was necessary to refer to the body of the minute to understand funded and unfunded costs associated with the decision
- use clear and concise language.

2.12 Another example is DPAC's advice, provided in 2019. It involved an assessment of the proposal against the following Unsolicited Proposals criteria.<sup>6</sup>

<b>DPAC concluded the proposal ...</b>	<b>The assessment ...</b>
was unique and innovative and cannot be reasonably delivered by another proponent	did not consider whether all elements of the proposal were unique. It is unlikely that another proponent could deliver the Tasmanian NBL team, DEC upgrade and operations. However, another proponent could have purchased and developed the land surrounding the DEC.

<sup>6</sup> Department of Treasury and Finance, Unsolicited Proposals Policy and Guidelines, accessed 25 August 2025.

DPAC concluded the proposal ...	The assessment ...
aligned with the Government's policies and strategic objectives	did not explicitly describe the economic and social policy outcomes it aligned with. Instead, it focused on the proposal allowing the delivery of a 2018 election commitment— a community multisport facility in Glenorchy.
was value for money	relied on a <b>community benefit appraisal</b> <sup>7</sup> that was not independent. It was prepared by a contractor for the proponent to submit a planning scheme amendment.
was financially, economically, socially and technically feasible	understated the Budget funding needed to implement the proposal. Costs that must be funded by the Tasmanian Government were also inconsistent in relation to: <ul style="list-style-type: none"> <li>• buying the DEC and land from Council</li> <li>• upgrading the DEC</li> <li>• constructing the multisport facility.</li> </ul> The other elements of feasibility were addressed.

## State Growth did not publicly disclose the DEC upgrade contract as required

- 2.13 State Growth used a combination of request for tender and direct engagement procurements, which were disclosed as required. However, there was 1 significant exception to this conclusion.
- 2.14 The exception related to the contract with the proponent to provide design and development services for the DEC upgrade. The estimated value of this contract was \$41 million.
- 2.15 In June 2020, the Secretary of State Growth endorsed, and the Treasurer approved, several exemptions for this procurement. The main reason given was that compliance would result in the non-delivery of project timelines—the establishment of a Tasmanian NBL team by October 2021.
- 2.16 The approved exemptions did not include an exemption from the requirements in TI PF-5 Procurement Framework – Accountability and Reporting. With respect to this TI, State Growth failed to prepare a notice and submit it to Treasury within 10 working days of the contract being awarded.
- 2.17 On 13 September 2025, Treasury published it on the Tenders website.

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<sup>7</sup> A community benefit appraisal is a standard technique for analysing the social, economic, and environmental value of proposals. It presents costs and benefits using a common measure, the net social benefit. Net social benefit is a key input to decision-making, as it compares the welfare implications of different proposals to Tasmanians.

## State Growth did not always manage conflicts of interest appropriately

- 2.18 Conflicts of interest were not a standing item in the Steering Committee meetings until April 2024. From April 2024, conflicts of interest were a standing item, but the absence of conflicts was not always documented.
- 2.19 Prior to this change in approach, there was at least 1 instance where attendees had a conflict of interest with matters discussed that was not disclosed or managed, as outlined in the following case study.

### Case Study: Contract management

State Growth awarded a contractor 3 consecutive contracts, from July 2021 to June 2024. The service contracted was advice on DEC redevelopment.

State Growth awarded the first contract on 5 August 2021 following a request for quote process. The approach to this procurement was appropriate.

State Growth awarded the other 2 contracts through direct engagement. The approach to these procurements was also appropriate in the circumstances.

On 1 March 2022, the Committee discussed how to procure a project manager for the Multisport Facility. The contractor attended that meeting as Acting Project Manager, but there is no record of them declaring a conflict or stepping out of the meeting when the Committee discussed awarding them a contract.

On 8 March 2022, State Growth awarded the contractor a contract with an estimated value of \$600,000.

### Receipt and retention of gifts and benefits

- 2.20 Another way that conflicts of interest can arise is through the receipt of gifts, benefits or hospitality. Acceptance of gifts is prohibited if the agency makes decisions or gives advice regarding the gift giver or is likely to in future.
- 2.21 The sponsorship agreement provided for the State Government to receive:
- 20 General admission tickets to Home Games (including games played in Tasmania that are part of an NBL Finals Series)
  - corporate hospitality package for up to 10 guests
  - order merchandise with an aggregate value of up to \$5,000 (including GST) at no cost to the Sponsor.
- 2.22 While tickets and merchandise have been declared by Ministers in papers tabled in Parliament and on State entities' websites, this does not stop a perception that conflict of interests affected future decisions related to the proposal.

### 3. Valuation and reserve price

**November 2024** The State Government agreed that a specialised negotiator commence:

- negotiating the terms of the land sale
- development of the in-principle agreement for sale of land at Wilkinsons Point to the proponent within a set of parameters.

These parameters included that the negotiated sale price of the land is to exceed the reserve price set by the Director-General of Lands.

#### State Growth's advice on the valuation purpose was not clear

- 3.1 In August 2025, State Growth advised us that the works 'relating to undertaking subdivision plans and valuation [in September 2024] were completed to inform Cabinet'. This is why a draft subdivision plan was used.
- 3.2 The Office of the Valuer-General advised that 'in most cases, agencies request valuation advice under Section 51 of the *Valuation of Land Act [2001]*'. It assumes that the requested advice will be considered by an appropriately delegated decision maker.
- 3.3 The final scope of work detailed the provision of valuation advice for a market valuation with different scenarios. For example, unencumbered or encumbered, different land areas, and different valuation dates (2018 and 2024).
- 3.4 State Growth advised that the 'reasoning for different scenarios was to provide the delegated decision maker with information to recommend a course of action'.
- 3.5 The Office of the Valuer General advised it was 'not privy to how the valuation advice was utilised for negotiations with the proponent or approval seeking purposes'.

#### State Growth requested the Director-General of Lands set a reserve price too soon

- 3.6 In February 2025, State Growth used the valuation it obtained to inform Cabinet to request that the Director-General of Lands set the reserve price.
- 3.7 This request was premature as the master plan and subdivision plan were not finalised as set out in steps 1 and 2 in Figure 1.
- 3.8 State-Growth's advice to the Director-General of Lands did not make it clear that it was based on a draft subdivision plan and any significant changes to the draft plan may change the market value.

### Process improvement: Setting the reserve price for Crown Land

As a result of the investigation, NRE Tas and the Office of the Valuer-General (OVG) have jointly improved the process for setting a reserve price for Crown Land under the *Crown Land Act 1976*.

The Valuer-General now provides a covering letter to accompany the final valuation advice to State entities. This letter:

- advises that the Valuer-General endorses the attached valuation
- draws the reader's attention to the assumptions, disclaimers and limitations of the valuation so the State entity responsible for the land can highlight these in their Minute to the Director-General of Lands.

## The valuation report was disclosed to the proponent

3.9 In September 2024, the proponent requested that State Growth share the Valuer-General's valuation report with them.

3.10 State Growth sought advice from the Valuer-General on the report's disclosure. The Valuer-General advised State Growth that they should not share the valuation report with the proponent because:

- the report states it is not to be relied upon by third parties
- providing the valuation to a potential purchaser is considered a potential misuse of information in some Australian jurisdictions.<sup>8</sup>

3.11 In October 2024, State Growth shared the valuation report with the proponent. State Growth documentation on this disclosure indicates that Premier's Office staff:

- received the Valuer-General's advice
- 'made the decision that the valuation report is to be shared with' the proponent
- based that decision on the incorrect view that there was 'no active negotiation between the parties'.

3.12 There is no clear guidance on how Ministers direct public servants to act in a specific way. Under our system of government, the Minister can direct public servants to take specific actions, but Ministerial staff cannot as they are not delegated to do so under legislation.

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<sup>8</sup> For example, NSW Independent Commission Against Corruption's guidance on [confidential information](#) states State Government departments should not distribute a valuation report to a proponent.

## 4. Value of remaining works to Tasmania

**November 2023** The State Government included Wilkinsons Point in the River Derwent Ferry Service Masterplan to complement the existing Brooke Street Pier to Bellerive service in an expanded ferry service network.

**May 2024** The State Government endorsed plans to:

- relocate the JackJumpers' high-performance centre from Wilkinsons Point to the Kingsborough Sports Precinct
- relocate the Four-court multisport facility from Wilkinsons Point to a different location in the City of Glenorchy
- to develop a new gymnastics facility for the Hobart Gymnastics Academy in Brighton.

### State Growth did not advise the Government whether the remaining works were in Tasmania's interests until 2025

- 4.1 Significant changes to projects, like the construction of a ferry terminal and moving the multisport facility, are likely to change the expected benefits of projects to the community. This means when significant changes occur, State entities should assess whether remaining works are still in Tasmania's interests and advise Government appropriately. Like the Victorian Government's decision to withdraw from the Commonwealth Games.
- 4.2 In August 2024, State Growth provided a presentation to Ministers to:
- gain a shared understanding of the challenges of the site
  - agree on a way forward.
- 4.3 This presentation included updated budget numbers and options for progressing the proposal.
- 4.4 Following this presentation a Cabinet Minute was prepared for determination of negotiating parameters.
- 4.5 In July 2025, State Growth and DPAC formed a view, and advised the Government, on whether the works were still in Tasmania's interests. We are unaware of the outcome of this advice.

# Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to the proposed sale of Wilkinsons Point land.

## Objective

The investigation's objective was to assess whether State Growth followed appropriate processes for the proposed sale of Wilkinsons Point land.

## Scope

The commitment to proceed with the proponent's proposal for an NBL team, the DEC upgrade and sale of Wilkinsons Point land was a government decision. This means it is outside:

- my mandate
- the scope of this investigation.

We instead focused on State Growth's:

- advice related to the proposed sale of Wilkinsons Point land
- State Growth's implementation of the government decisions.

As the sale of Wilkinsons Point land was one part of a broader program of works, the investigation also included the DEC upgrade and the multisport and high-performance facilities.

## Approach

The audit was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*, issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a limited assurance opinion.

The audit evaluated the following criteria:

1. Were decisions to develop and sell the Wilkinsons Point land supported by good advice?
  - 1.1. Were benefits and costs used to understand the budget impact and benefit-cost ratio of the agreements reliably estimated?
  - 1.2. Were risks relevant to the agreements identified and communicated to Government?
2. Was the proposed sale process well-managed?
  - 2.1. Were governance arrangements appropriate?
  - 2.2. Were relevant requirements for public land sales met?



## Responsibility of management

Agency	Roles and responsibilities for the proposed sale of Wilkinsons Point land
NRE Tas	NRE Tas supports the Director-General of Lands in setting the reserve price for crown land.
DPAC	DPAC leads whole-of-government policy. It supports the government to achieve its objectives and effective public administration.  It provided advice to the government about the proponent's proposal.
State Growth	Primary responsibility to implement the government's decisions relating to the proposed sale of Wilkinsons Point land.
Treasury	Treasury provides economic, financial and resource management advice to help the government deliver its policies.  It provided advice to the government, through the Budget Process, on the cost of the proponent's proposal.
Office of the Crown-Solicitor	The Office of the Crown-Solicitor provides commercial law and conveyancing services to the Crown.
OVG	OVG is responsible for providing valuations services to government for land acquisitions and disposals.

## Responsibility of the Auditor-General

My responsibility was to express a reasonable assurance conclusion on the State entities' performance in the proposed sale of Wilkinsons Point land.

## Independence and quality control

I have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Audit Tasmania applies Australian Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* which requires Audit Tasmania to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Martin Thompson  
**Auditor-General**  
 24 September 2025

## Appendix B – Transmittal letter



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24 September 2025

President, Legislative Council  
Speaker, House of Assembly  
Parliament House  
HOBART TAS 7000

Dear President, Speaker

### **Report of the Auditor-General No. 3 of 2025-26 – Proposed sale of Wilkinsons Point land**

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*.

The objective of the investigation was to assess whether State Growth followed appropriate processes for the proposed sale of Wilkinsons Point land.

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson  
**Auditor-General**

# Appendix C – Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Entity Heads of the audited entities with a request for submissions or comments.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response.

## Response from the Treasurer

Thank you for [the report]. [I] do not have any comments.

Hon Eric Abetz MP

**Treasurer**

## Response from the Department of Natural Resources and Environment Tasmania

I am writing in relation to your letter of 15 September 2025 requesting a management response regarding the investigation into the proposed sale of Wilkinsons Point land.

The Department of Natural Resources and Environment Tasmania notes the report and that it provides an accurate account of the role of the Director-General of Lands in the process. I would like to thank Audit Tasmania for noting the process improvement for setting the reserve price of Crown lands jointly introduced by the Department and the Office of the Valuer General.

Thank you for the opportunity to provide a management response.

Jason Jacobi

**Secretary**

## Response from the Department of Premier and Cabinet

Note: In response to this letter, we updated the Executive Summary and paragraph 2.12.

Thank you for your letter of 15 September 2025 on Audit Tasmania's proposed investigation report (the report).

The Department of Premier and Cabinet (DPAC) appreciates the opportunity it has been afforded to provide input into the investigation and comment on the report. I apologise for the delay in responding, but I was awaiting the return of DPAC's lead negotiator on the project from leave.

I note that DPAC's involvement in the proposed sale of Wilkinsons point land was not continuous, occurring in two very distinct periods of time. Firstly, undertaking the unsolicited proposal assessment in in 2019, and then taking on the lead negotiator role in 2025.

These different timelines for DPAC's involvement are not apparent from the report, and the commentary on the quality of DPAC's assessment of the proposal against the Unsolicited Proposals assessment criteria in the Summary of Findings and paragraph 2.12, could mistakenly be taken as reflective of advice provided by DPAC in 2025. The wording of paragraph 2.9 further confuses the issue.

While DPAC holds few records related to the 2019 unsolicited proposal assessment, and relevant members of the Executive from that period are generally no longer employed by the Tasmanian Government, the assessment would have been undertaken as a complete package, rather than the retrospective view taken by the report that the assessment "did not consider whether all elements of the proposal were unique."

The report's commentary in the Summary of Findings and Section 4, appears to be critical of the timing and completeness of advice to Government regarding the value of remaining works and whether they were in the best interests of the State.

In November 2024, Government provided parameters for negotiations with [the proponent] including:

- Scope of land available to be sold;
- Government's contribution to headworks and services costs;
- Government's contribution to common infrastructure;
- Staging of development; and
- Claw-back provisions.

These parameters are consistent with the parameters noted in the second dot-point of paragraph 1.17 of the report.

In setting down these parameters, Government required the Department of State Growth to provide further advice, when the terms of sale were sufficiently progressed to inform the decision on whether the Crown should enter into a sale and development agreement.

As DPAC's lead negotiator advised the Tasmanian Audit Office on 17 June 2025, negotiations with the [the proponent] were active and ongoing, and that the Department of State Growth was not yet in a position to provide clear advice to Government.

Negotiations continued for several weeks, to the point that they were sufficiently progressed to inform a decision on whether to enter into an agreement. The timing of this advice was entirely consistent with the direction provided by Government. To date, no agreement has been recommended to be entered into by Government.

With regard to the recommendation specific to DPAC, in relation to establishing protocols to support State entities working with Ministers in a way that aligns with the State Service Principles, DPAC makes the following observations.

The functions of public servants, activities undertaken and authority exercised by them, flow from powers of the relevant Minister in legislation, under appropriate delegation. As noted in the report, under our system of government, the Minister can direct public servants to

take specific actions. The Code of Conduct for Ministers, April 2024, identifies the limitations on a Minister's power to direct a public servant.

*Ministers must not by their decisions, directions or conduct in office encourage or induce public officials to break the law, or to fail to comply with a code of ethical conduct applicable to such public officials.*

*Ministers are to respect the apolitical role of the public servants.*

While, as the report notes, Ministerial staff cannot direct a public servant in the conduct of their duties, in their role as advisors to Ministers those staff are appropriately involved in discussions between Ministers and public servants, and a conduit for Ministerial feedback to departments.

Our action plan to address the recommendations directed at the Department of Premier and Cabinet is attached to this letter.

No.	Recommendation	Acceptance	Detailed response
1	DPAC establishes protocols to support State entities working with Ministers in a way that aligns with the State Service Principles.	In principle	<p>The Code of Conduct for Ministers, April 2024, provides guidance for interaction between Ministers and State entities, and identifies the limitations on a Minister's power to direct a public servant.</p> <p><i>Ministers must not by their decisions, directions or conduct in office encourage or induce public officials to break the law, or to fail to comply with a code of ethical conduct applicable to such public officials.</i></p> <p><i>Ministers are to respect the apolitical role of the public servants.</i></p> <p>Ministers must regard the skills and abilities of public servants as a public resource to be used appropriately.</p> <p>While Ministerial staff cannot direct a public servant in the conduct of their duties, staff in their role as advisors to Ministers, are appropriately involved in discussions between Ministers and public servants, and a conduit for Ministerial feedback to departments.</p> <p>DPAC will review the Ministerial Code of Conduct and other relevant documentation, in conjunction with the Premier's office, to determine if additional guidance or protocols are required.</p>

Thank you for the opportunity to respond to this report.

Kathrine Morgan-Wicks

**Secretary**

## **Response from the Department of State Growth**

Thank you for your letter of 15 September 2025 regarding your report "Investigation into proposed sale of Wilkinsons Point land".

The Department of State Growth (State Growth) acknowledges the conclusions of the report and the need to ensure that the public service works together to provide frank, fully and timely advice. It is pleasing that your audit has identified that since mid-2024 improvements have been made by State Growth in advice, process and governance into proposed sale of the Wilkinson Point Land. In my experience, State Growth staff strive to make a difference by faithfully delivering the Government's commitments while providing frank, impartial and timely advice consistent with our obligations under the *State Service Act 2000*.

The report also importantly acknowledges that the department is working within the agreed legislative framework for the sale of Government land and, despite the long history with the proposal, State Growth is still at the first step of that land sale process. As at the date of my response there is no legally binding agreement to sell the Wilkinsons Point land and State Growth is still at 'step one'. We will continue to implement the Government's policy consistent with the requirements of the *Crown Land Act 1976* and we continue to strengthen our processes. For example, early this year we commenced updating our conflict-of-interest, further changes have been made following consideration of your audit findings.

State Growth acknowledges that your audit has found that several processes at the commencement of the implementation of Government decisions were inadequate. However, your report does not acknowledge that the broader COVID-19 context, which I believe is also relevant to the management of the proposal in the early years.

During this time, government's focus was to allocate spending to support an economy during an unprecedented crisis. Usual Government processes were highly disrupted, and the department was focused on high priority relief packages. The creation of the JackJumpers and the initial scoping and costs for development of Wilkinsons Point was included as part of the of the COVID-19 stimulus package. This investment has resulted in wider benefits such as jobs and volunteer opportunities and increased participation in basketball in Tasmania.

The Department of State Growth acknowledges the report and agrees with the recommendations. Specifically in relation to the recommendations as they relate to State Growth:

No.	Recommendation	Acceptance	Detailed response
2	State Growth ensures it provides comprehensive advice to Government on the benefits, costs, and risks of a government commitment before substantially implementing it.	Yes	<p>SUPPORTED - As part of our continuous improvement program in relation to advice to Government State Growth will:</p> <ul style="list-style-type: none"> <li>• in the short-term work with the Tasmanian Training Consortium and the Institute of Public Administration Australia to provide update training and education to employees.</li> <li>• - have a targeted focus on providing comprehensive advice to Government as part of our 2025/26 performance management framework.</li> <li>• - finalise the updating of our project management guidelines that commenced following the Department realignment in 2024.</li> </ul>
3	State Growth, with support from central agencies, develops a framework to reduce the risk of transactions of this nature to an appropriate level.	Yes	<p>SUPPORTED - State Growth with support from the Department of Premier and Cabinet and the Department of Treasury and Finance will develop a framework to reduce the risk of transitions of this nature to an appropriate level by 30 June 2026. In the short-term. State Growth will identify appropriate frameworks from other jurisdictions that can be used to reduce the risk of transactions of this nature.</p>
4	State Growth update its conflicts of interest policy to require conflicts of interest, or nil returns, to be a standing item in meeting agendas.	Yes	<p>COMPLETED - This work has been underway for several months and was endorsed in September 2025. State Growth will continue to regularly update this policy.</p>

Thank you again for the opportunity to comment on this report.

Craig Limkin  
**Secretary**

# Appendix D – Our role, audit mandate and standards applied

## Our role

The Auditor-General and Audit Tasmania are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

## Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
  - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
  - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
  - (c) investigating any matter relating to public money or other money, or to public property or other property;
  - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
  - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;



- (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
    - (i) on behalf of the State entity; or
    - (ii) in partnership or jointly with the State entity; or
    - (iii) as the delegate or agent of the State entity;
  - (g) examining the performance and exercise of the Employer’s functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

## Standards applied

Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

# Acronyms and abbreviations

AASB	Australian Accounting Standards Board
Audit Act	<i>Audit Act 2008</i>
DPAC	Department of Premier and Cabinet
OVG	Office of the Valuer-General
Minute	A written record that captures the details of a decision-making process. It typically includes the context and background leading to the decision, a summary of the options considered, the rationale behind the chosen approach, and the recommended course of action.
NRE Tas	Department of Natural Resources and Environment Tasmania
State Growth	Department of State Growth
Treasury	Department of Treasury and Finance
the Council	Glenorchy City Council
the DEC	Formerly known as the Derwent Entertainment Centre and now known as My State Bank





*Front cover image: MyState Bank Arena, Wilkinsons Point*

*Photography: Courtesy of Department of State Growth*

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