

# STATEMENT OF MINISTERIAL EXPECTATIONS

July 2019

## MACQUARIE POINT DEVELOPMENT CORPORATION

This Statement of Ministerial Expectations is approved by:

A handwritten signature in black ink, appearing to read 'Peter Gutwein', is written over a horizontal line. The signature is fluid and cursive.

The Hon Peter Gutwein, MP

Minister for State Growth

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## 1. Introduction

This Statement of Expectations (Statement) has been prepared by the Minister for State Growth (the Minister) following consultation with the Macquarie Point Development Corporation Board (the Board).

This Statement sets out the Tasmanian Government's broad policy expectations and requirements of the Board, as provided for in the *Macquarie Point Development Corporation Act 2012* (the Principal Act).

This Statement should be read in conjunction with:

- i. the Principal Act, which governs the operations of the Macquarie Point Development Corporation (the Corporation)
- ii. Intergovernmental Agreement – Schedule L, Macquarie Point Railyards Precinct Remediation Project (National Partnership agreement on Specific Projects) (IGA) signed in 2012 between the Tasmanian and Australian Governments
- iii. Hobart City Deal, signed 24 February 2019

In addition to requirements set out in the Principal Act, the Board is to also comply with all other applicable legislative, policy and/or other requirements, including but not limited to work health and safety, environmental and industrial relations obligations.

This Statement takes effect from the date signed until 30 June 2020.

This Statement is to be published on the Corporation's website.

## 2. Compliance with Government policies

In pursuing the strategic expectations stated in section 3, the Corporation shall act in accordance with:

- i. Treasurer's Instructions and guidelines that are applicable to the Corporation;
- ii. any Government policies specifically applying to the Corporation as advised by the Minister; and
- iii. direction/s given by the Minister in accordance with section 36 of the Principal Act.

## 3. Strategic expectations

The principal objectives and functions of the Corporation are prescribed in sections 6 and 7 of the Principal Act. In undertaking its principal objectives and functions, the Minister expects the Corporation to:

- i. pursue the compliant, timely, safe, cost effective and fit for purpose remediation of the Macquarie Point site to support its redevelopment and activation;
- ii. deliver the key elements of stage 1 of the MONA vision (development of commercial science, tourism, cultural and appropriate residential space) as provided for in the revised master plan;
- iii. increase the accessibility and use of Macquarie Point through interim activation, ensuring it does not inhibit the longer term development of the site; and
- iv. support the implementation of the Hobart City Deal, through:

- (a) engagement with key stakeholders, including TasPorts and through intergovernmental governance structures to plan and prepare for the establishment of an Antarctic and Science Precinct; and
  - (b) engagement with key stakeholders, including the Tasmanian Aboriginal community, Government agencies and the arts and tourism sectors to plan and prepare for the transformation of Macquarie Point as a cultural, tourism and arts hub, to complement the existing network of facilities taking into account the Tasmanian Government's cultural facilities study.
- v. ensure interim development of Macquarie Point is not undertaken in isolation and does not give rise to land use conflicts and ensures that infrastructure requirements of adjoining areas are taken into account;
  - vi. provide advice on, and progress necessary planning and other activities to implement, the Corporation's principal objectives and functions and the expectations identified in this Statement;
  - vii. maintain the high level of stakeholder and community engagement with respect to the activation and development of the Macquarie Point site;
  - viii. ensure development opportunities, land and/or asset leasing and sales are informed by a suitable and competitive process and approvals in accordance with the Principal Act; and
  - ix. operate in accordance with sound commercial practice and ensure ongoing financial sustainability.

## 4. Performance and reporting expectations

### 4.1. Performance expectations

The Minister expects the Corporation to:

- i. prepare and implement the strategies identified in its Corporate Plan, in accordance with section 38 of the Principal Act;
- ii. have strategies in place to complete the remediation of the site supported by a detailed plan for the allocation and use of the remaining funds provided through the IGA for that purpose in a reasonable time frame;
- iii. ensure public funding is used efficiently, effectively and is appropriately reported;
- iv. progress activities in keeping with the Corporation's principal objectives and functions that support revenue raising to offset the cost of the Corporation's administration costs;
- v. continue to report on the range and frequency of engagement with stakeholders; and
- vi. comply with any reasonable requests for information from the Minister.

### 4.2. Reporting

The Minister expects the Corporation to comply with any relevant reporting requirements specified in any guidelines issued by the Government and the requirements of the Principal Act.

This includes the development of:

- i. a Corporate Plan consistent with the requirements identified in section 38 of the Principal Act; and
- ii. an Annual Report consistent with the requirements identified in section 50 of the Principal Act.

Consistent with the performance expectations, provide quarterly updates to the Minister on work and activity undertaken at the site.

#### 4.3. Commercial activities

The Minister expects the Corporation to only carry out commercial activities that are:

- i. consistent with the Corporation's principal objectives and functions; and
- ii. comply with the competitive neutrality principles.

#### 4.4. Integrity and ethics

The Minister expects the Board, Management and employees of the Corporation to exhibit integrity and professionalism in undertaking their duties and to comply with and uphold the State Service Principles.

#### 4.5. Significant Developments

The Minister is to be kept informed of any matters of significance. Specifically, the Minister expects to be notified of any adverse developments which may, or have the potential to significantly:

- i. impact on or impede the Corporation's capacity to deliver on its principal objectives and functions or expectations contained in this Statement;
- ii. impact on the Corporation's capacity to meet its financial or other commitments or obligations;
- iii. affect outcomes to the community;
- iv. affect the financial viability or operating ability of the Corporation; and
- v. impact on Government policy, stakeholder relations or environmental issues or that have a wider public interest.

#### 4.6. Borrowings and Investment Activities

The financial affairs of the Corporation are prescribed in the Principal Act.

Capital structure and debt levels should be maintained at a level that is consistent with the overall strategic portfolio objectives of the Government as advised by the Minister from time to time.

#### 4.7. Capital Asset Management

The Minister expects the Corporation to:

- i. develop Asset Management Plans reflecting prudent commercial practice; and
- ii. regularly review its asset holdings and undertake necessary works to support the remediation and redevelopment of the site.

The Minister is to be notified of any proposed new major capital investments.

#### 4.8. Risk Management

Consistent with the relevant Government policies and strategic expectations cited in sections 2 and 3 of this Statement, the Minister expects the Board and Corporation to adopt risk management strategies that appropriately balance the delivery of the stated expectations and fiscal outcomes and the provision of appropriate quality of developments, products and services.