



TRS21D0824

Hon Stephen Mullighan MP
Member for Lee
Unit 1, 62 Semaphore Road
SEMAPHORE SA 5019

Treasurer
Level 8
State Administration Centre
200 Victoria Square
Adelaide SA 5000
GPO Box 2264
Adelaide SA 5001
DX 56203 Victoria Square
Tel 08 8226 1866
treasurer.dtf@sa.gov.au

lee@parliament.sa.gov.au


Dear Mr Mullighan

APPLICATION UNDER THE FREEDOM OF INFORMATION ACT 1991

I refer to your application made under the *Freedom of Information Act 1991* (the Act), dated 9 April, 2021.

Your application seeks access to:

"All minutes, briefings and correspondence titled 'Sale of 5 Park Way Mawson Lakes' as described on the Objective document management system." From 26 October 2020 to 9 April 2021.

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. However, I have determined to process the request as if the statutory timeframe had been met.

An extensive search was conducted within this office. A total of 2 documents were identified as answering the terms of your application.

I grant you access in full to 2 documents; copies of which are enclosed.

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the Act.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on (08) 8226 9769.

Yours sincerely



Hon Rob Lucas MLC
Principal Officer

27 May 2021

RELEASE

MINUTE

PERSONAL
26/10/2020
T20/082
TR520D3379.



MINUTES forming ENCLOSURE to: A1518275

TO: THE TREASURER

RE: SALE OF 5 PARK WAY MAWSON LAKES

PURPOSE

To advise you on the marketing and sale of 5 Park Way Mawson Lakes which is owned by Renewal SA.

BACKGROUND

Renewal SA is the registered owner of land and buildings at 5 Park Way, Mawson Lakes Technology Park. The site consists of a child care centre built by Renewal SA's predecessor, the Land Management Corporation (LMC) in 1999. The development was jointly funded by the State Government, the University of South Australia and the Commonwealth Department of Health and Family Services.

The building has a gross floor area of 235m², which has the capacity to accommodate a child care license applicable for up to 54 children.

The site is currently leased to the Mawson Lakes Child Care Centre Inc. (MLCC) for the specific purpose of a child care centre. The lease term commenced on 31 January 2000 and expires on 31 January 2021 with the rent set at \$1 per annum (if demanded).

The construction of the site and subsidised rent was required for the establishment of a child care centre presence within Mawson Lakes Technology Park to support activation within the precinct and provide a community service that was lacking in early stages of the project.

In September 2019, Renewal SA briefed the former Minister for Transport, Infrastructure and Local Government on the proposed sale. A letter was then sent to the Director of MLCC responding to concerns relating to the proposed sale of the site (refer Appendix A).

In September 2019, Renewal SA met with the Director of MLCC to reaffirm its position to dispose of the property on a commercial basis and provided an extension to the existing lease up to a further six months (expiry June 2021). As part of discussions, Renewal SA sought to secure a market rental for the child care centre. MLCC advised they were not in a financial position to pay a market lease however, are interested in purchasing the property.

DISCUSSION

Renewal SA has a program for the sale of land and property at the Mawson Lakes Technology Park and the sale of the child care centre was targeted within Renewal SA's 2021/22 budget at the expiry of the current operator's lease.

Child care operations within the Mawson Lakes and broader area are generally considered to be viable without additional assistance and/or intervention from Government. Independent market advice has highlighted demand for child care spaces is close to equilibrium, based on the current resident population within the broader area. However, this advice also anticipated that growth in Technology Park is likely to generate future increased demand for child care services within the precinct.

There are five other competing child care centres operating within close proximity to the MLCC site. As a result, should the property be sold for purposes other than a child centre operation we believe there are adequate current services available within the broader area. However we also believe any increase in demand through growth of Technology Park may put pressure on remaining services should the MLCC operation be unsuccessful in securing this property. Therefore, we believe current and future demand should support the financial viability of MLCC and ensure they can participate in the on-market process.

An independent market valuation of the site by m3property in August 2019 indicated a value for the property in order of \$1.2-\$1.3 million on a vacant possession basis. Renewal SA is currently seeking an updated valuation inclusive of the restricted use.

In order to comply with a transparent disposal process (as per the Renewal SA Real Property (On-Market Sales Policy) the property will be offered for sale through an open market Expression of Interest (EOI). Savills has been engaged by Renewal SA to assist with the disposal.

The EOI has been forecasted to commence in November 2020 for a period of approximately four weeks, closing in early December 2020 – these dates may be subject to change.

RECOMMENDATION

It is recommended that you note this briefing in relation to the marketing and sale of 5 Park Way Mawson Lakes


Chris Menz
CHIEF EXECUTIVE

20 / 10 / 2020

NOTED


Hon Rob Lucas MLC
TREASURER

31 / 10 / 2020



Government of South Australia

The Hon Stephan Knoll MP
Member for Schubert

19RSA0072

Ms Alex Merritt
Director
Mawson Lakes Park Way Child Care Centre Inc
5 Park Way
MAWSON LAKES SA 5095

Dear Ms Merritt

Thank you for your letter regarding the Park Way Child Care Centre lease with Renewal SA and your concern for the future of the centre.

By way of background, Renewal SA owns and manages land at Technology Park which includes the child care centre located at 5 Park Way, Mawson Lakes. The child care centre was constructed in 1999 by Renewal SA's predecessor, the Land Management Corporation (LMC) and was funded jointly by the State Government, the University of South Australia and the Commonwealth to meet the requirements of the increasing number of companies and employees at Technology Park and the University of South Australia, as the Mawson Lakes development project commenced.

I have been advised by Renewal SA that:

- A lease was granted to the Salisbury Campus and Mawson Lakes Child Care Centres Inc for a term of 21 years from 31 January 2000 to 30 January 2021 at a nominal rent of \$1 pa.
- The land and improvements at 5 Park Way, Mawson Lakes were provided at nil cost to the child care centre in 1999 and this arrangement reflected the circumstances existing at that time when Technology Park and Mawson Lakes had limited services to support existing and developing businesses in the area.
- In October 2017 Renewal SA consented to an assignment of the lease to the current lessee, Mawson Lakes Park Way Child Care Centre Inc, as part of the separation process of the original child care centre businesses.
- In April 2019 Renewal SA met with you at the premises and advised that the existing lease would expire on 30 January 2021 with no further right of renewal and that, with the end of the lease approaching, Renewal SA was considering its strategy for the property and once it had further information, would be pleased to meet again to discuss the future of the property.

Minister for Transport, Infrastructure and Local Government
Minister for Planning

Roma Mitchell House Adelaide SA 5000 | GPO Box 1533 Adelaide SA 5001 DX 171
Tel 08 7109 8430 | Email ministerknoll@sa.gov.au



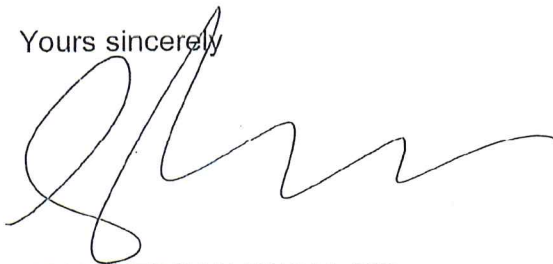
- Since that meeting Renewal SA engaged an independent valuer to provide advice on the market value of the property for sale and a commercial rent for lease, together with an overview of the supply and demand for child care services in this area. This report was received in August 2019.
- Renewal SA had declined requests to meet you and your committee members until it had received and considered the advice of the independent valuer.

I understand that Renewal SA, having considered the valuation advice, met with you and your committee members on 12 September 2019 to discuss its position and what opportunities may be available to the centre on a commercial basis.

I am advised that Renewal SA will be submitting a new lease proposal on commercial terms for your consideration shortly and I suggest the Mawson Lakes Park Way Child Care Centre continue to discuss this matter with Renewal SA.

Thank you for bringing this matter to my attention and I trust this information is of assistance.

Yours sincerely



HON STEPHAN KNOLL MP
MINISTER FOR TRANSPORT, INFRASTRUCTURE AND LOCAL GOVERNMENT
MINISTER FOR PLANNING

26 1st / 2019