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TAFE NSW

Briefing for Minister Lee: for approval

Divestment of TAFE NSW - Quirindi

- Topic** Approve the divestment of 10 Gamble Street, Quirindi.
- Analysis** The Site is vacant, and surplus to service delivery needs following the opening of the Quirindi Connected Learning Centre in 2017. An updated version of this brief is being submitted and the previous version (submitted to the Minister on 22 October 2020) withdrawn as TAFE NSW has been advised of an update to the Community Use Policy, which means that it no longer applies to the sale of 10 Gamble Street, Quirindi (the Site).
- Approval by** As soon as possible to allow the divestment process to commence.

Recommendations

That the Minister, in the capacity as Minister for Skills and Tertiary Education:

- Approve** 10 Gamble Street, Quirindi, identified as Lot 121 DP1140226, (the Site) is surplus to service delivery needs following the opening of the Quirindi Connected Learning Centre in 2017;
- Note** the NSW Government Community Use Policy (CUP) does not apply to the sale of the Site; and
- Approve** the immediate disposal of the Site, subject to it not being required for another government purpose and if not, disposal of the Site on the open market.

Minister's approval

Not approved

Date

Checked by DLO		Approved/noted by adviser/Chief of Staff	
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Key issues

The former TAFE NSW Quirindi is vacant following the opening of Quirindi Connected Learning Centre

10 Gamble Street, Quirindi (the Site) comprises land and buildings which have not been used by TAFE NSW for over 2 years and remains vacant following the opening of the Quirindi Connected Learning Centre (CLC) in 2017 (**TAB A**).

TAFE NSW delivers a comprehensive scope of courses at the CLC which is approximately 2.8km drive to the west of the Site.

The Site running cost in the 2019/20 financial year including utilities, maintenance and cleaning was (excl. GST).

One of the demountable buildings identified as G Block will be transferred to the Department of Education, representing the local high school, from the Site to the high school. There has been no interest expressed in acquiring the Site.

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There is no other known interest in the Site.

Leasing to a third party is not supported as the buildings and site infrastructure are aged and pose a landlord liability without a commensurate return on investment. Disposal is recommended.

Further analysis

NSW Government's \$3 billion land and property sales target

The NSW government has introduced a \$3 billion, whole of government (WofG), surplus land and property sales target over the four years to June 2023 (the Target) to help manage fiscal headroom and fund infrastructure.

TAFE NSW has been advised by the Department of Education that the Education Cluster will contribute \$90 million towards the Target. The current apportionment to TAFE NSW is:

- \$1.31 million FY2020
- \$2.40 million FY2021

TAFE NSW understands that the Cluster's contribution to the Target is over and above divestments planned for asset recycling or other Budget measures. TAFE NSW is required to meet this contribution commitment.

The NSW Government Strategic Land and Property Framework

NSW Government's Strategic Land and Property Framework (SLPF) applies to TAFE NSW and the Minister administering the *TAFE Commission Act 1990* (as landowning Minister).

The CUP dated 1 June 2020 does not apply to the proposed divestment as the Site is zoned R1 General Residential under Liverpool Plains LEP 2011.

For the Site to be considered under the CUP, one of the criteria is that the *current zoning is Public and Private Recreation (RE1,RE2), Infrastructure (SP2), Special Activities (SP1), Environmental Conservation/Management (E2,E3), Village (RU5) or similar*. The Site does not meet this criterion as it is zoned R1 General Residential.

The application of the CUP will be confirmed by Property NSW when the Site is submitted through the Government Property Exchange (GPX) for approval and determination.

As part of the GPX process other Government agencies can register its interest to acquire the Site.

Financial impact

As at 31 January 2021 the Site Net Book Value of land, buildings and site infrastructure is (excl. GST).

In the event the Site is transferred to another agency, it is assumed that TAFE NSW will be cash compensated from this disposal, to reinvest in its Investment Program. A Cabinet Expenditure Review Committee or Treasurer's decision will be required to confirm this assumption.

Valuation

TAFE NSW has a historic valuation dated 3 March 2018 stating an "As Is" market value of (excl. GST).

TAFE NSW will obtain a current market valuation following the Minister's approval, for auction reserve setting, benchmarking, and guide for negotiations.

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Risks / contentious issues

Nil.

Next steps

The estimated Divestment Timeline is outlined at **TAB B**.

Communications

A communication brief will be prepared when the Site is approved for disposal, and before an agent is appointed.

Background

10 Gamble Street, Quirindi has a site area of 21,400 square metres and contains nine vacant buildings. The Site is largely undeveloped and covered by grass and some plantings.

The Site has not been used for course delivery for 2 years and 8 months since the opening of the CLC in 2017.

Attachments

TAB	Title
A	Fact Sheet
B	Divestment Timeline

Approval

Approvals	Signature/Electronic approval	Date
Key Contact: General Manager TAFE Infrastructure NSW;	Endorsed	2/02/2021
Endorser: A/Chief Corporate Services Officer;	Approved	/02/2021
Approver: Managing Director TAFE NSW;		22/02/2021

Contact:

Title: General Manager, TAFE
Infrastructure NSW

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