

QUESTION ON NOTICE

Question No. 43 of 2026

Legislative Council

ASKED BY: The Hon. Bec Thomas MLC Member for Elwick

ANSWERED BY: Leader for the Government in the Legislative Council, the Honourable Tania Rattray MLC

QUESTION:

1. What is the formula used to calculate the performance or percentage rent payable under the lease?
2. What total amount of performance or percentage rent has been paid by LK Stadiums (Tas) Pty Ltd in each financial year since the commencement of the lease?
3. What was the total rent received by the Crown from LK Stadiums (Tas) Pty Ltd in each year of the lease, including both base rent and performance rent?
4. Has the total rent received by the Crown from LK Stadiums (Tas) Pty Ltd in any year exceeded the value of the hiring fee contribution paid by the Government to LK Stadiums (Tas) Pty Ltd?
5. What independent assessment was undertaken before entering into the lease to determine market rent for MyState Bank Arena?
6. Was the lease subjected to an open competitive process or market testing prior to being awarded to LK Stadiums (Tas) Pty Ltd?

7. If the Government considers the lease represents value for money for Tasmanian taxpayers, will it release the total net financial benefit received by the Crown under the lease since its commencement?
8. How many community groups have received subsidised access to MyState Bank Arena under the non-commercial hiring arrangements since the lease commenced?
9. What was the total value of hiring fee discounts provided to community groups in each year of the lease?
10. How many community organisations sought access to the venue but were required to pay full commercial rates because they did not qualify under the subsidised arrangements?
11. Given the Auditor-General's findings regarding the proposed sale of land at Wilkinsons Point, what assurance can the Government provide that any future arrangement involving LK Group and Wilkinsons Point will be subject to greater transparency and market testing than occurred with the MyState Bank Arena Lease?
12. What assurance can the Government provide that the lease arrangements for the Stadium at Macquarie Point is being negotiated in the best interests of Tasmanians, rather than the best interests of the AFL or Cricket Australia as the proposed head tenants?

ANSWER:

1. Capitalised terms used in this response have the meanings given to them in the Lease. Percentage Rent is outlined in clause 4.3 of the Lease and means, for an Accounting Period, the amount (if any) by which the Agreed Percentage of Gross Annual Turnover exceeds the aggregate of:
 - a) Base Rent for the Accounting Period;
 - b) Outgoings for the Accounting Period (other than Excluded Outgoings);
 - c) Accumulated Operating Losses immediately before the commencement of the Accounting Period; and
 - d) to the extent the Outgoings (excluding Excluded Outgoings) for the immediately prior Accounting Period were greater than the Gross Annual Turnover for that Accounting Period, the difference between the Outgoings (excluding Excluded Outgoings) and the Gross Annual Turnover for that prior Accounting Period.

2. No percentage rent has been payable by LK Stadiums.

3. The following table outlines total rent received by the Crown:

Year	Base rent	Percentage rent	Total
2021-22	\$126,301	-	\$126,301
2022-23	\$213,022	-	\$213,022
2023-24	\$224,708	-	\$224,708
2024-25	\$230,885	-	\$230,885
2025-26	\$234,891	-	\$234,891

4. Yes. The total rent received by the Crown exceeded the Hiring Fee Contribution paid to LK Stadiums in each relevant financial year.
5. The Lease was negotiated and prepared by King & Wood Mallesons through the Office of the Crown Solicitor, with advice from the Valuer-General.

6. No. The Lease formed part of the initial negotiations with the LK Group surrounding the purchase of land at Wilkinsons Point and the establishment of a National Basketball League team in Tasmania.
7. Please refer to the answers to questions 3 and 4 above. A single net financial benefit figure would not capture the full value of the arrangement, which also delivers broader public benefits alongside the rights and obligations under the Lease.
8. LK Stadiums is expected to provide the Department with detailed booking system data in late August 2026 as part of its reporting requirements. Further information can be provided once this information is received.
9. Please refer to the answer to question 8 above.
10. Please refer to the answer to question 8 above.
11. The proposal will continue to be considered having regard to the public interest, value for money, risk allocation, probity, deliverability and any relevant legal or commercial considerations. No final decision will be made unless the Government is satisfied that it is appropriate to do so.

Consistent with advice provided to the Public Accounts Committee, the Department of Premier and Cabinet and Building Tasmania have re-engaged with the LK Group since May 2026 in relation to the proposal.

The masterplan for the site, the potential development and site activation, as well as how the precinct integrates with Dowsing Point, have been discussed.
12. The Tasmanian Government is committed to ensuring that lease arrangements are negotiated transparently, fairly, and in the best interests of all Tasmanians, with a strong focus on achieving value for money and delivering public benefit.

APPROVED



Felix Ellis MP

Minister for Business, Industry and Resources

Date: 19 August 2026