



The Hon Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

Thursday 10 October 2013

SALE OF QUEEN MARY BUILDING CONCLUDED THROUGH UNSOLICITED PROPOSALS PROCESS

NSW Premier Barry O'Farrell today announced an unsolicited proposal from Sydney University to acquire the vacant Queen Mary Building (QMB) on the Royal Prince Alfred Hospital Campus had been successfully completed.

The QMB has been purchased by the university for \$27 million excluding GST, and will be developed for affordable student accommodation.

"The Queen Mary Building has been sitting vacant since 2002 – this will allow the University to develop the property and put it back into use for student accommodation," Mr O'Farrell said.

"As agreed through the unsolicited proposal process, the NSW Government will reinvest the proceeds in the Missenden Mental Health Unit development at RPA.

"It will also allow the NSW Government to meet its objective of increasing the supply of affordable student accommodation near our world-class inner-city universities.

"The university proposes to deliver about 750 beds at QMB – a significant boost for the State's multi-billion dollar tertiary education market.

"The sale price exceeded the NSW Government's reserve."

On 4 December 2012 the NSW Government announced that Sydney University, UTS and University of Notre Dame Australia had been invited to tender for the QMB, to develop the building for affordable student accommodation. The University of Sydney was the only invited University to indicate its interest in pursuing the opportunity.

On 21 December 2012 the University of Sydney was advised that the Government had approved the progress of the University's proposal to Stage 2 of the Unsolicited Proposals process.

The University was invited to develop a detailed proposal for the purchase of the property having regard to the Government's specific conditions, including:

- the development and use of the building for affordable student housing for a minimum period of 15 years
- a demonstrated affordable rent and pastoral care model
- the purchase offer meeting or exceeding the Government's price reserve.

The contract and related arrangements ensure that the property is developed and used for student accommodation and that it is provided at an affordable rental rate for a minimum period of 15 years.

Unsolicited Proposals Process

Stage 1 – Initial submission and strategic assessment: a comprehensive initial assessment of the proposal to identify the potential benefit to government of further consideration and development with the proponent. The outcome is advice to the proponent of progression to Stage 2, or that the government does not wish to proceed.

Stage 2 – Detailed proposal: requires the proponent and government to work cooperatively in the development and assessment of a detailed proposal. The outcome is advice to the proponent of progression to Stage 3, or that the government does not wish to proceed.

Stage 3 – Negotiation of final binding offer: involves the finalisation of all outstanding issues with a view to entering into a binding agreement, if the government decides to accept the final offer.

Full details can be found at: <http://www.nsw.gov.au/unsolicitedproposals>