



MEDIA RELEASE

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Sale of the Cygnet Medical Centre to proceed to EOI

Huon Valley Council will continue with plans to sell the portion of land containing the Cygnet Medical Centre at 14 George Street upon selection of a suitable buyer via an Expression of Interest (“EOI”) process, following consideration of 13 objections, a petition and a report brought to the Ordinary Meeting of Council on Wednesday 26 June 2019.

The Council considered the public response to the sale and explored key issues surrounding the Council’s ownership of the centre. The important outcomes for Council are to secure future use of the building as a medical facility, avoid risks associated with continued ownership that may be costly to Huon Valley residents, and ensure responsible management of public assets in the area.

Any transfer of ownership will require agreement between the Council, the Commonwealth Government and the successful purchaser securing medical and allied health services until at least 2032, as per the Commonwealth Funding Agreement.

The Council no longer operates the Cygnet Medical Centre, having leased the building to a private service provider in 2017. The medical industry in Cygnet has experienced increased strength and growth, with the availability of other private providers making it unnecessary for Council to fulfill the need for medical services in the area, unlike the situation in Geeveston and Dover. By taking a step back from the medical industry in Cygnet, Council hopes that the current providers in the industry will continue to thrive.

The availability of other private medical providers in Cygnet means it would not be fair for Council to remain involved in the township’s medical industry potentially at the cost of Huon Valley ratepayers. Continued Council ownership of the centre comes with significant financial risk for Council due to the Council’s obligations under the funding agreement, depreciation value and the costs of insurance, land tax, rates and maintenance costs.

Commercial and financial information has been provided to Councillors on a confidential basis to assist with their decision-making with regards to the sale of the centre.

“The sale of the medical centre will be an opportunity to guarantee allied health services for the Cygnet community to 2032 or beyond,” Huon Valley Mayor Bec Enders said. “Any possible purchaser must show a strong commitment to benefitting the Huon Valley community.”

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An independent probity officer has been engaged for the evaluation process of EOIs. A preliminary assessment of the current EOI process will be undertaken to present Council with options and recommendations to make a decision regarding the EOI process.

“Our plans to subdivide the medical centre from the Old School Farm land will go ahead so that future development opportunities for the Cygnet community can be explored,” said Cr Enders. “Our goal is to add value to the township of Cygnet and improve the quality of services available to residents.”

Further details of the sale of the Cygnet Medical Centre can be found on the Huon Valley Council website and updates will be provided as the process progresses.

For more information: Mayor Bec Enders (03) 6264 0300