

WESTERN SYDNEY INTERNATIONAL – BRINGELLY**SENSITIVITIES**

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) is currently negotiating the sale of a 114ha former Department of Defence facility in North Bringelly in an off-market transaction to the NSW Western Parkland City Authority (WPCA).

While negotiations are underway, the Department has given a licence at a notional consideration of \$1 for the Sydney Metro Authority to commence early works for the joint Australian-NSW Government-funded Sydney Metro Western Sydney Airport. The WPCA has also been given access rights for environmental and ecology investigations.

SUGGESTED COMMENTS

When is the sale to NSW going to be complete?

- The Department is currently finalising the terms of sale with the Western Parkland City Authority. The finalisation of the sale will be dependent on the consideration of sale terms with the NSW Government.

Will the sale negotiations delay infrastructure projects and the creation of jobs in Western Sydney?

- The sale process is not delaying project delivery with the Sydney Metro Authority having been licenced to commence early works on site.

Why is the sale in an off market process to the Western Parkland City Authority

- Through the Western Sydney City Deal, the Australian and NSW Governments agreed that the land be transferred to the Western Parkland City Authority as the master planner and master developer of the site, to create jobs and additional housing in the Western Parkland City.

How can you be sure the sale price is value for money?

- The sale price negotiations are informed by independent market valuations and a review by the government's Infrastructure and Project Financing Agency and are underpinned by a Heads of Agreement between the Australian and NSW Governments. This level of due diligence will ensure there is an appropriate, transparent basis for the negotiations.

Action Officer (EL2):	47E	Section:	
Clearing Officer (AS):	Adam Stankevicius	Branch: Program and Shareholder Management	
Mobile (AS):	47E	Date: 13/05/2021	Version: 01

Site access

- The Department has engaged a contractor to manage the site. Contractor responsibilities include escorting visitors, inspecting the site on a regular basis and arranging sub-consultants for more serious repairs, such as fencing.
- The Department has Site Access Protocols (Protocols) in place for anyone wanting to access the land. All visitors must abide by the Protocols to ensure the site management, safety and environmental obligations continue to be met.

BACKGROUND

- The Heads of Agreement to the Western Sydney City Deal, signed by the former Prime Minister, the Hon Malcolm Turnbull MP, and the Premier of NSW, the Hon Gladys Berejiklian MP, in March 2018, established commitments for the Commonwealth and NSW in relation to value capture for Sydney Metro Western Sydney Airport (SMWSA) and the North Bringelly land sale.
- These commitments were further clarified in a Supplementary Heads of Agreement (Supplementary Agreement) dated 1 June 2020 signed by the Prime Minister, the Hon Scott Morrison MP and the Premier of NSW. s47B
[REDACTED]
- The Department and the WPCA are finalising the details of the land transfer. s47B
[REDACTED]
Information is anticipated to be provided late May 2021 and will be reviewed by the Department.
- It is likely that the North Bringelly land will remain an asset of the Department as of 30 June 2021 and will require revaluation for the purposes of the Department's financial statements. It is anticipated that the Aerotropolis rezoning, which commenced on the 1st October 2020, will have a material impact to the land value. The prior book value based on a rural residential zoning was \$17.3m for the land.
- The commercial valuation for the \$293 million total price was based on a valuation by EY on 30 October 2019. s47B
[REDACTED]

WESTERN SYDNEY INTERNATIONAL – BRINGELLY**SENSITIVITIES**

- Since 2019, the Department has been negotiating the sale of a 114ha former Department of Defence facility in North Bringelly in an off-market transaction to the NSW Government, represented by the Western Parkland City Authority (WPCA) and its predecessor agencies.
- On 6 September 2021, the land was successfully transferred to the WPCA for the continued development of the Sydney Metro Western Sydney Airport Project and the Western Sydney Aerotropolis City Centre.

SUGGESTED COMMENTS

When did the sale to NSW occur?

- The Department finalised the terms of sale with the Western Parkland City Authority in September and the land was transferred on 6 September 2021.

Why was the sale in an off market process to the Western Parkland City Authority?

- Through the Western Sydney City Deal, the Australian and NSW Governments agreed that the land be transferred to the Western Parkland City Authority as the master planner and master developer of the site, to create jobs and additional housing in the Western Parkland City.

How can you be sure the sale price was value for money?

- The sale price negotiations were informed by independent market valuations and a review by the government's Infrastructure and Project Financing Agency and underpinned by a Heads of Agreement between the Australian and NSW Governments.
- This level of due diligence ensured there was an appropriate and transparent basis for the negotiations.

Site access

- The WPCA now owns the land and is responsible for site access.

Action Officer (EL2):	Adam Stankevicius	Section:	
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BACKGROUND

- The Heads of Agreement to the Western Sydney City Deal, signed by the former Prime Minister, the Hon Malcolm Turnbull MP, and the former Premier of NSW, the Hon Gladys Berejiklian MP, in March 2018, established commitments for the Commonwealth and NSW in relation to value capture for Sydney Metro Western Sydney Airport (SMWSA) and the North Bringelly land sale.
- These commitments were further clarified in a Supplementary Heads of Agreement (Supplementary Agreement) dated 1 June 2020 signed by the Prime Minister, the Hon Scott Morrison MP and the Premier of NSW.
- It was agreed;
 - a. that the Commonwealth would transfer ownership of the North Bringelly Land to NSW,
 - b. that a range of components (including current value) would comprise the transfer price and
 - c. s47B [REDACTED]
 - d. [REDACTED]
- The Department and the WPCA finalised the details of the land transfer in September 2021.
- s47B [REDACTED]
- [REDACTED]
- [REDACTED]
- The commercial valuation for the \$293 million total price was based on a valuation by EY on 30 October 2019.
- s47B [REDACTED]
- The sale will be reflected in the financial statements of the Department published in the Annual Report, likely to be tabled on 21 October 2021, which will include the following note:

“On 6 September 2021, the Australian Government sold the land at Bringelly in Western Sydney to the NSW Government to facilitate the development of the Western Sydney Aerotropolis under the Western Sydney City Deal. The department will recognise a gain of \$27.6 million on the sale amount of \$293.0 million in its Administered Statement of Comprehensive Income during the 2021-22 financial year.”

Supplementary Senate Estimates – October 2021

Environment and Communications

Lead/Support contact: Lachlann Paterson / 47E

SB21-000365

SUBJECT: AUSTRALIA POST BOARD GOVERNANCE AND INVESTIGATION

s22 - Not relevant



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Supplementary Senate Estimates – October 2021

Environment and Communications

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SB21-000365

Not relevant

Senate Inquiry

On 25 February 2021, the Senate referred an inquiry into Australia Post to the Environment and Communications References Committee. The inquiry looked into matters around the resignation of the former CEO, Ms Holgate, the Boston Consulting Group (BCG) review into Australia Post and future service delivery arrangements. The Committee released its report on 26 May with 25 recommendations. Liberal and National Senators released a dissenting report with 24 recommendations. Senator Pauline Hanson made additional comments with three recommendations.

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SB21-000365

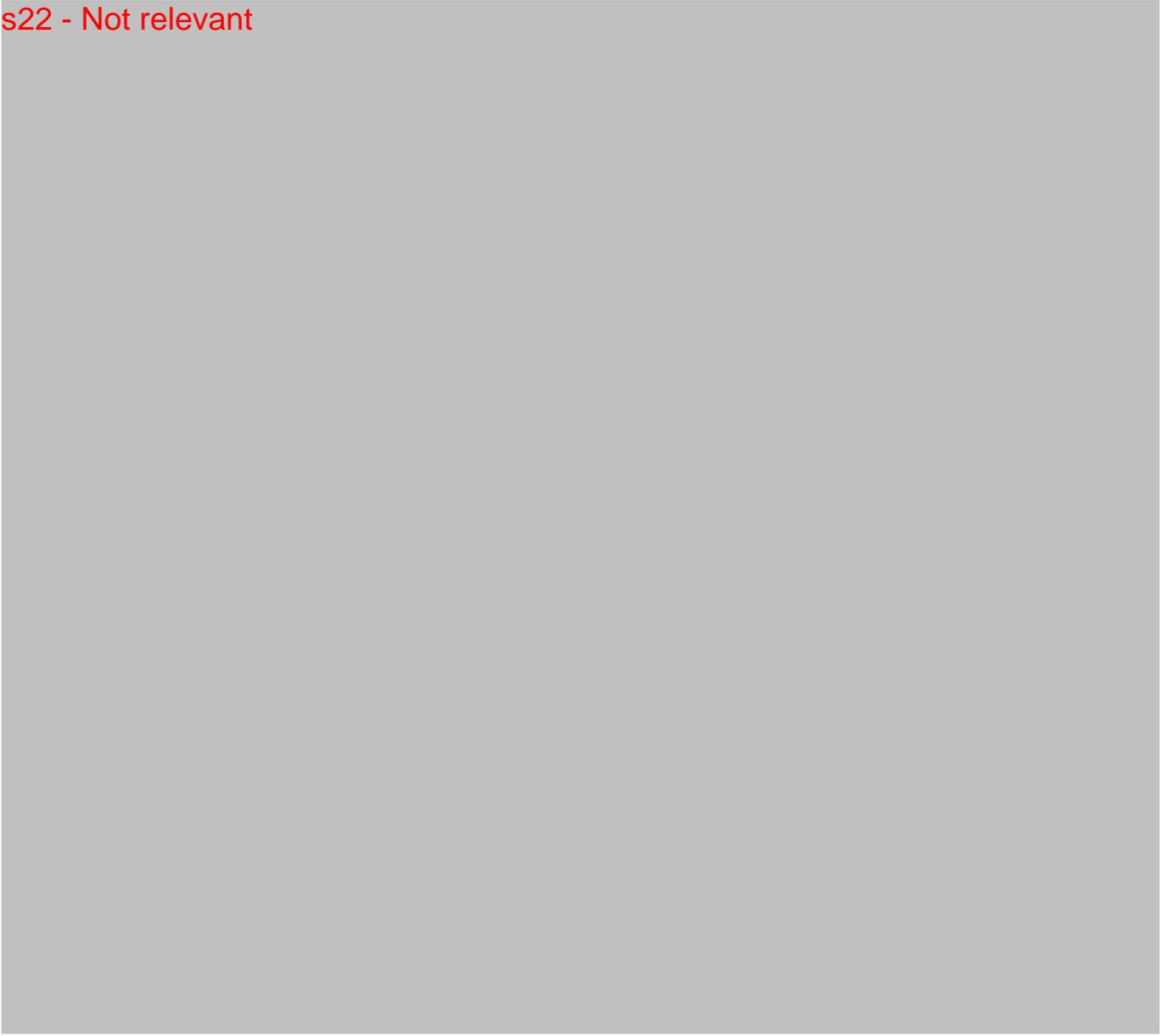
The majority report made recommendations including:

s22 - Not relevant



- the Government expressly rule out the privatisation of Australia Post and its subsidiaries.

s22 - Not relevant



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