



SUBJECT: Payment to [REDACTED] for Surrender of Rural Lease

To: CEO, Land Development Agency [REDACTED] 2/11/16

Through: Deputy Director-General, Land Development [REDACTED] 17/11/16

Date: 17 November 2016

Purpose

To seek your agreement to authorize payment to [REDACTED] for the surrender of Blocks 1605 and 1606 Belconnen as per the West Belconnen Joint Venture Agreement.

Background

The Joint Venture Agreement between the ACT Government and Riverview Group was signed on 19 May 2016. The Joint Venture will formally commence after the 15 day disallowance period for Amendment 86 to the National Capital Plan. This is expected to occur on 23 November 2016.

Under the Joint Venture Agreement, [REDACTED] are required to surrender Blocks 1605 and 1606, District of Belconnen, to the Territory on commencement, and the Territory is required to pay a surrender sum to [REDACTED]. The surrender sum is [REDACTED] adjusted for inflation. A settlement has been arranged for 23 November whereby [REDACTED] will supply executed instruments of surrender in exchange for the surrender sum.

After the application of inflation, the surrender amount is \$4,521,310.48 inc. of GST. An invoice for this amount is at Attachment A. The relevant section of the JV Agreement is at Attachment B. An exchange of correspondence between [REDACTED] and the Government Solicitors Office, acting for the Territory regarding the surrender amount is at Attachment C. At Attachment D is advice from Strategic Finance that the surrender amount is correct.

Under the Financial Delegations you are authorised to approve accounts for payment to the limit of available funds (EO919).

Recommendation

That you agree to authorise payment of the surrender sum and sign the invoice at Attachment A.



Tom Gordon
Executive Director, Greenfield

Date: 17 November 2016

Action Officer: Chris Webb
Branch: Greenfield
Extension: x76824



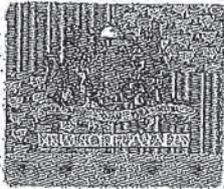
David Dawes 18/11/16

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

We need to attach to this brief the relevant part of the "Financial Terms agreement" where it states July 2011.

DD

BOX 47V
(AK464531)



NEW SOUTH WALES
CERTIFICATE OF TITLE
REAL PROPERTY ACT, 1900



| | |
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REID AND STEVENS PTY. LIMITED

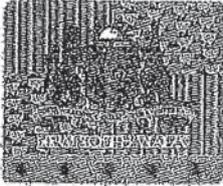
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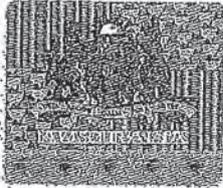
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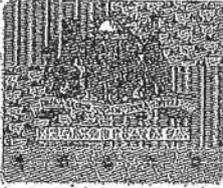
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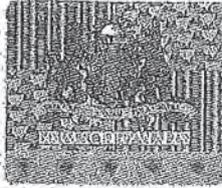
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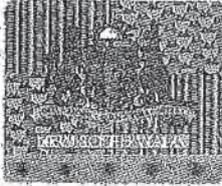
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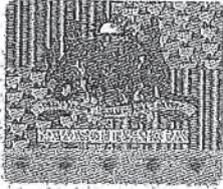
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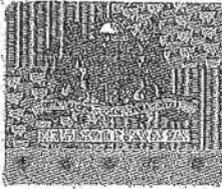
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| | |
|------------------|---|
| | Index Numbers ; All groups CPI ; Canberra ; |
| Unit | Index Numbers |
| Series Type | Original |
| Data Type | INDEX |
| Frequency | Quarter |
| Collection Month | 3 |
| Series Start | Sep-1948 |
| Series End | Sep-2016 |
| No. Obs | 273 |
| Series ID | A2325841T |
| Jun-2011 | 99.2 |
| Sep-2011 | 99.8 |
| Dec-2011 | 100.1 |
| Mar-2012 | 99.7 |
| Jun-2012 | 100.3 |
| Sep-2012 | 101.4 |
| Dec-2012 | 101.8 |
| Mar-2013 | 101.9 |
| Jun-2013 | 102.5 |
| Sep-2013 | 103.1 |
| Dec-2013 | 104.1 |
| Mar-2014 | 104.6 |
| Jun-2014 | 104.8 |
| Sep-2014 | 105.2 |
| Dec-2014 | 105.3 |
| Mar-2015 | 105.2 |
| Jun-2015 | 105.6 |
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| Mar-2016 | 106.2 |
| Jun-2016 | 106.4 |
| Sep-2016 | 107.3 |

Source: Australian Bureau of Statistics; date accessed: 15 Nov 2016

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Sep%202016?OpenDocument>

Amarasiri, Lalanka

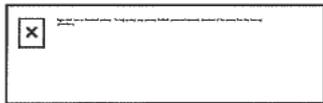
From: [Redacted]
Sent: Wednesday, 26 October 2016 12:42 PM
To: Gordon, Tom; [Redacted]
Cc: [Redacted]
Subject: Surrender Sum
Attachments: Surrender Sum as at 30 Sept 16.xlsx

Good afternoon,

Please find attached an updated calculation for the Surrender Sum based on the 30 September 2016 CPI figure.

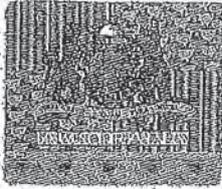
Regards

[Redacted signature block]



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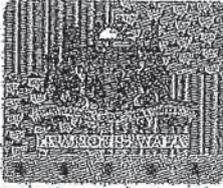
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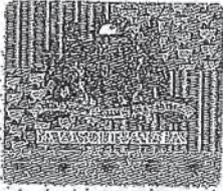
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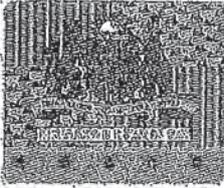
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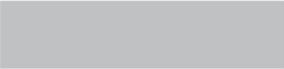
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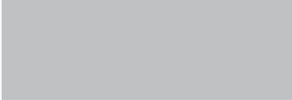


PO Box 3908
Manuka ACT 2603

Tax Invoice

Invoice #: 00000050
Date: 14/11/2016
Ship Via:
Page: 1

Bill To:



Ship To:

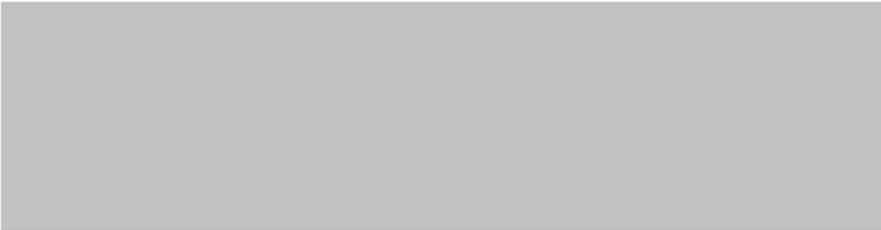
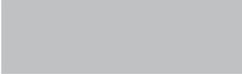
Land Development Agency

Land Development Agency

Description

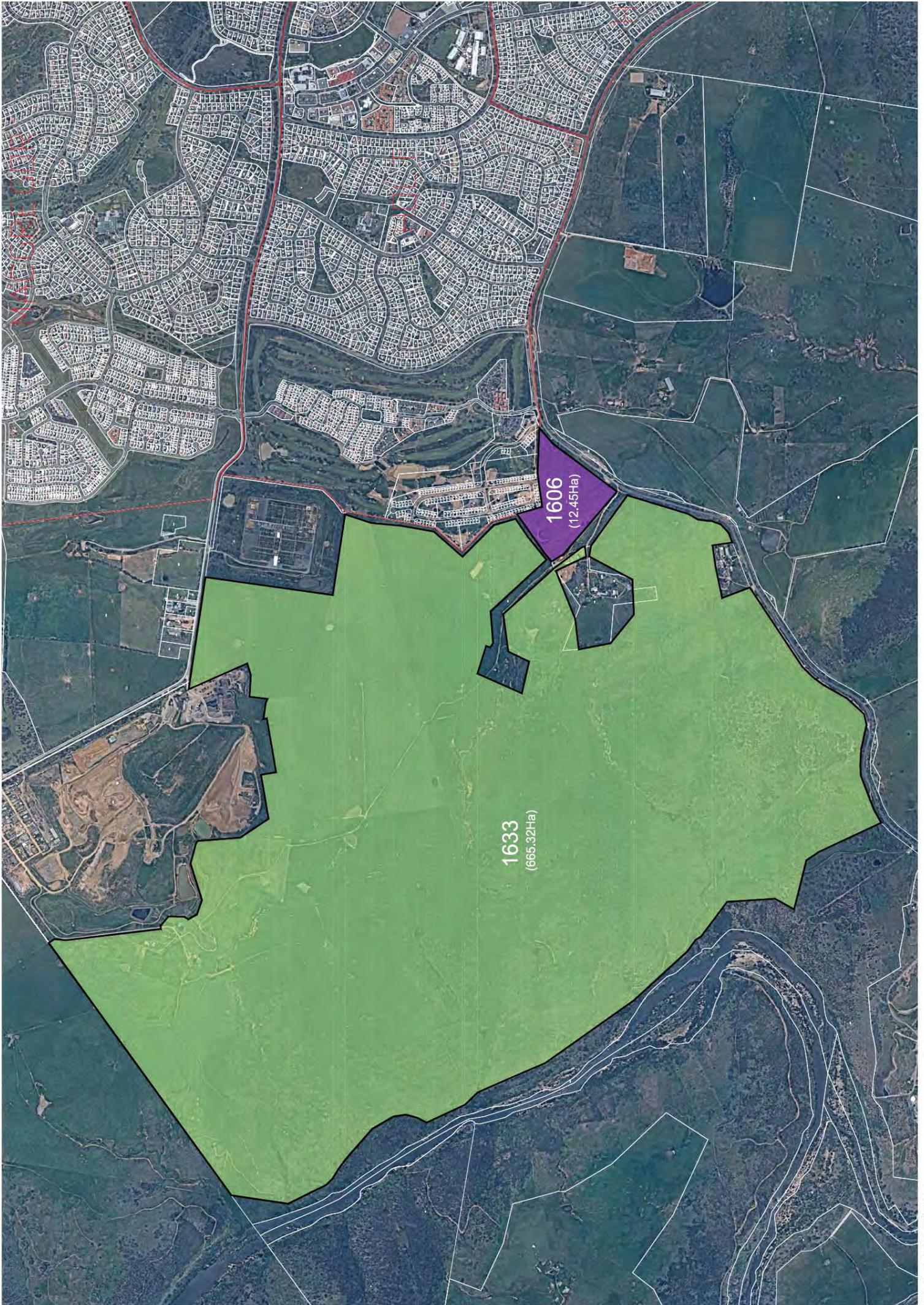
Amount Code

Payment for the surrender of rural rights on blocks 1605 and 1606 Belconnen



18/11/16







| | | |
|---------|--|----------|
| Date | 16 June, 2017 | TRIM No: |
| | | File No: |
| To | Acting Chief Executive Officer, Land Development Agency | |
| From | Tom Gordon, Executive Director, Greenfield | |
| Subject | LDA Purchase of Blocks 435, 439, 440, 441, 456 and 476 Stromlo from Michael Duncan Blake | |

Critical date and reason

1. To sign the Transfer, Sublease and letter to ACTPLA regarding consent to transfer as prepared by ACT GSO for the purchase of Blocks 435, 439, 440, 441, 456, 476 Stromlo known as the property 'Winslade' prior to the end of June 2017.

Background

2. The LDA Board agreed to the strategic acquisition of Winslade at the LDA Board meeting in June 2016.
3. Consequently the LDA prepared and submitted a final Business Case to Treasury for consideration to purchase Winslade on 17 March 2017 in accordance with the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* (the Framework). The Framework came into effect on 20 June 2014.
4. On 1st of May 2017 the Under Treasurer and the Chief Minister agreed to the strategic acquisition of Winslade.

Issues

5. The current lessee approached the LDA for the direct sale of the property and negotiations reached an agreement of a purchase price of \$7.5 million GST free.
6. A deposit of \$0.75 million has been paid on exchange of contracts.
7. The seller has requested settlement of \$6.75 million before 30 June 2017.
8. The LDA exchanged contracts on 13 June 2017.

Consultation

9. The LDA consulted the LDA Board, the ACT Government Solicitor, the Under Treasurer, CMTEDD and the Chief Minister as well as the current lessee. All were supportive to the purchase proceeding.

Financial

10. You recently approved the expenditure necessary to complete the exchange and settlement transactions.

Risks/ Sensitivities

11. Nil.

Media

12. Once the purchase is released in the LDA Annual Report it may generate media coverage similar to other rural properties purchased by the LDA. At this stage no media release is proposed.

Recommendations

That you:

- Sign the Transfer, Sublease and letter to ACTPLA regarding consent to transfer for the purchase of Blocks 435, 439, 440, 441, 456 and 476 Stromlo known as the property Winslade;

Neil Bulless //
AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

Tom Gordon
Executive Director
Greenfield

Action Officer: Dave Richardson
Branch: Development Ready (Estates) Unit
Phone: 75616

Attachments:
Letter to EPSDD
Transfer
Sublease

153.2.3

DECISION ITEM: 'WINSLADE' (DISTRICT OF STROMLO) – PRELIMINARY ASSESSMENT UNDER THE LAND ACQUISITION POLICY FRAMEWORK

Purpose

To seek Board endorsement to undertake a detailed assessment of the potential acquisition of 'Winslade' – identified as Blocks 435, 439, 440, 441, 456 and 476 in the District of Stromlo – under the Land Acquisition Policy Framework.

Background

The Land Development Agency (LDA) has received an unsolicited offer from the owner, [REDACTED] to acquire the property of 'Winslade' in the District of Stromlo. 'Winslade' consists of one ACT rural leasehold property outlined in yellow in **Attachment A**.

The property consists of approximately 486ha located 20km west of Canberra's central business district (CBD) fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by 'Huntly' and to the west by the Murrumbidgee River. 'Winslade' is three kilometres from the western edge of Denman Prospect (Stage 2 of Molonglo Valley).

The title description is Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896. The land is described as full tenant right ACT rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha consistent with the Stoney Creek Nature Reserve boundary.

Issues

Land Acquisition Policy Framework

As an opportunistic acquisition supporting development on the 10+ year time horizon, the acquisition would require assessment under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*.

The value of the property – between \$5m and \$20m – would fall within clause 2.2.1(b) of the Land Acquisition Policy Framework. Consequently, the LDA would be required to provide a business case to ACT Treasury and acquisition would be subject to agreement by the Chief Minister and Treasurer.

Strategic Value/Intended Outcome

'Winslade' is adjacent to other already identified precincts in the Stromlo District. 'Winslade' is strategically located between the LDA's properties of 'Huntly' to the north and 'Fairvale' to the south. Acquiring this property would provide opportunity for infrastructure connections between these two areas. In addition, the property has the potential to provide additional access to 'Huntly' which may be a significant consideration for emergency services in any future urban development.

An initial assessment indicates that a third of the property (after any withdrawals occur) would be required for parks, open space and other urban associated uses, resulting in approximately 290ha of land being available for development. The majority of the property (88 per cent) comprises land with a slope of less than 20 per cent which is optimal for urban development (**Attachment C**). The land is modified from past agricultural use so is unlikely to have significant environmental value. Core ecological connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.

Based on the initial assessment, the property could be expected to yield approximately [redacted] residential dwellings with associated revenue from land sales in the order of [redacted]. If the property were acquired, it could be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Valuation

Following the approach by the landholder, the LDA commissioned an initial land valuation to assist in determining the fair market value and an assessment of whether the acquisition would represent value for money. The valuer (Knight Frank) has provided a draft report and determined a price of between \$6.5m and \$7.5m (excluding GST).

The property valuation analysed recent sales outcomes of comparable properties within the ACT and on adjoining freehold land in NSW. The draft valuation used a value of between [redacted] excluding buildings (**Attachment B**). The valuation was based on the current lease purpose clause as rural land and did not consider potential higher order uses or redevelopment of the land.

It is expected that any development will include land for urban land development, open space, infrastructure corridors and roads, and possibly small areas of future EPBC offset potential.

If approved, the property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Next Steps

Pending Board endorsement to undertake a detailed assessment of 'Winslade', the landholder will be provided a copy of the independent valuation report to gauge his willingness to negotiate a price consistent with the valuation.

The LDA will undertake a detailed assessment of the property – against the guiding principles established by the Land Acquisition Policy Framework – for consideration at the Board meeting on 30 June 2016.

Attachments

- Attachment A – *Site Location Plan of Potential Land Acquisition*
- Attachment B – *Draft Valuation Report*
- Attachment C – *Surface Slope Analysis Plan*

Recommendation

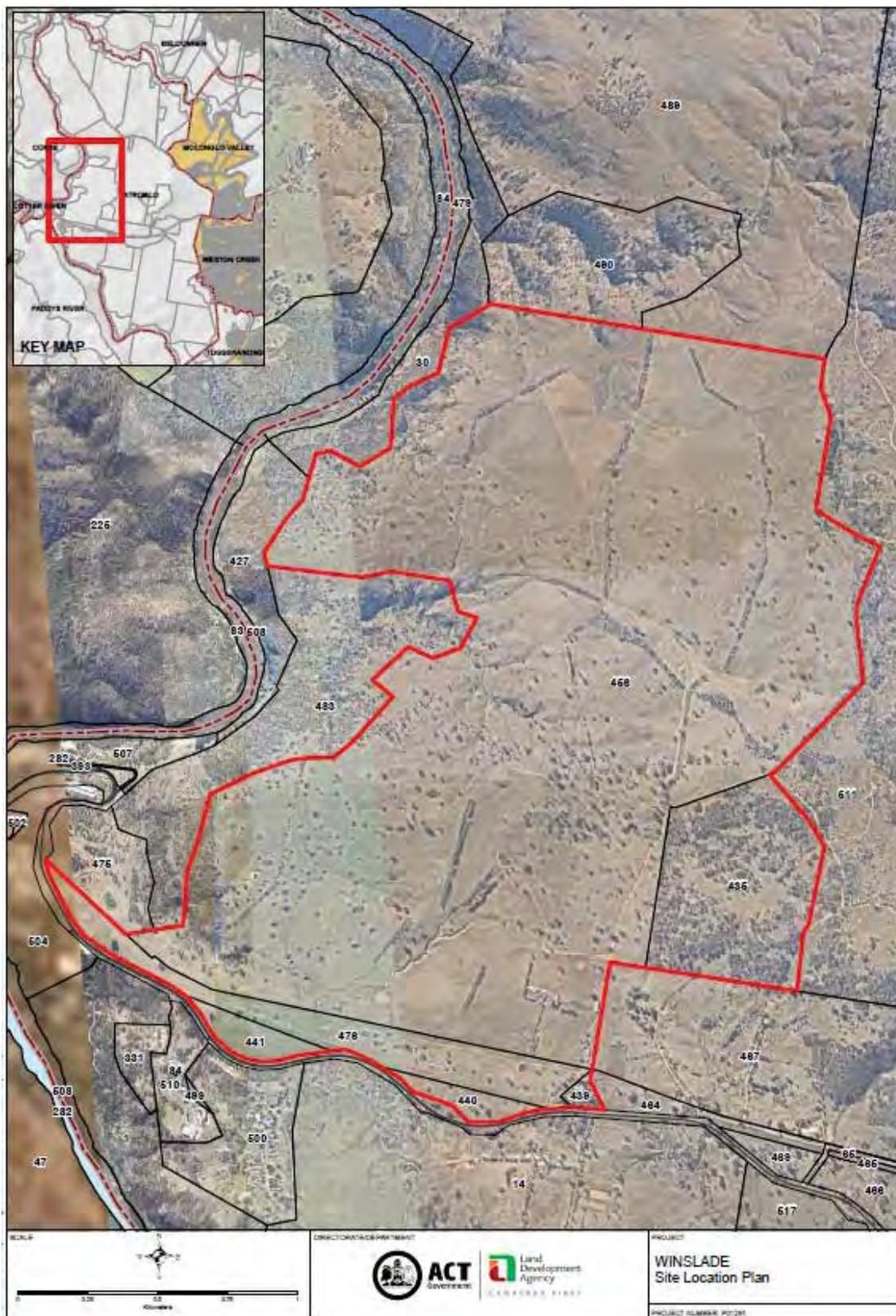
That the Board:

1. Agree to the Land Development Agency (LDA) commencing negotiations with the landholder for the possible acquisition of 'Winslade' in the District of Stromlo, with an upper limit of \$7.5m (excluding GST), consistent with the independent valuation.
2. Direct the LDA to undertake a detailed assessment of 'Winslade' under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*.

Tom Gordon
Executive Director, Greenfield
20 May 2016

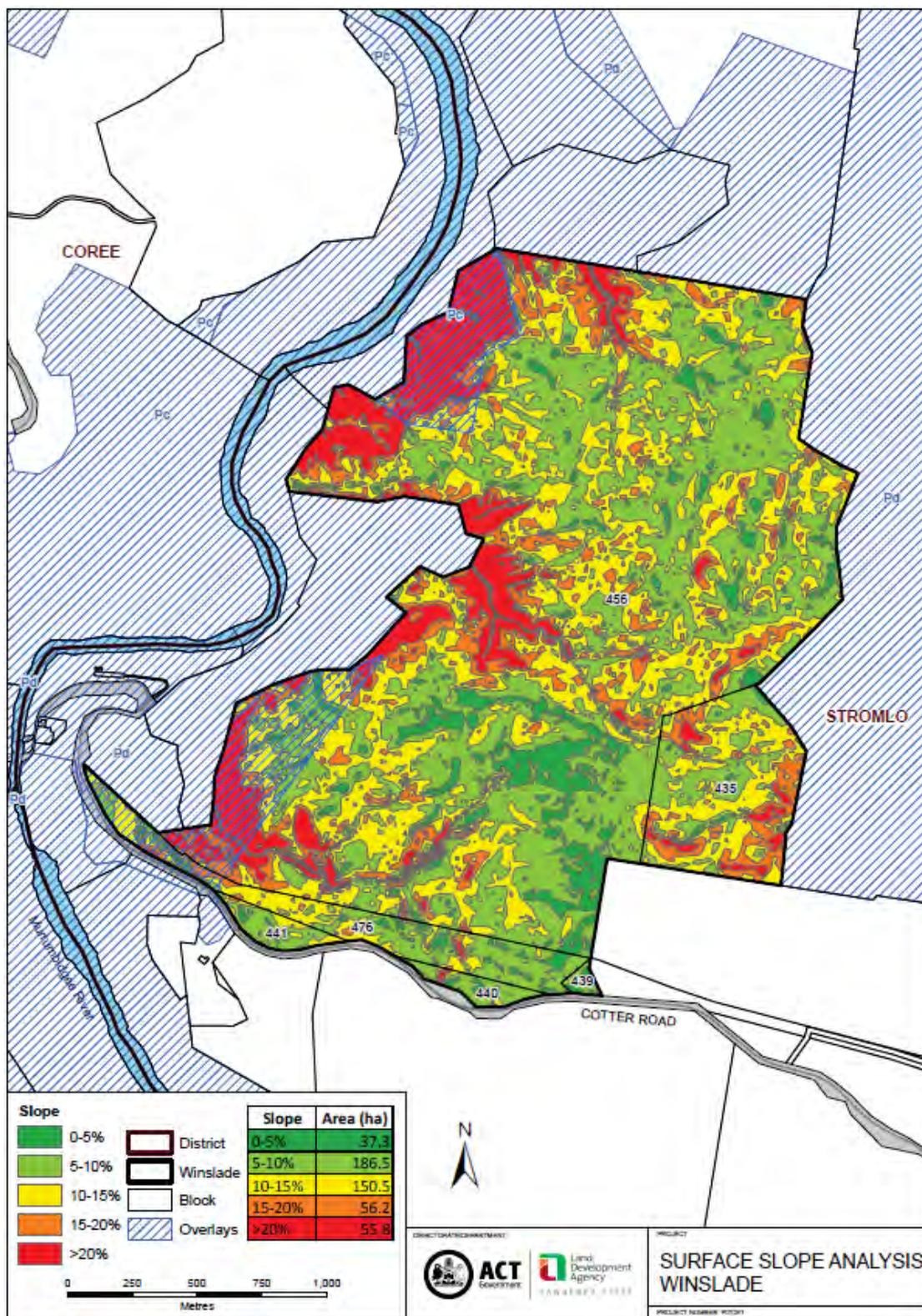
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Attachment A – Site Location Plan of Potential Land Acquisition



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Attachment C – Surface Slope Analysis Plan





LAND DEVELOPMENT AGENCY BOARD MEETING 153, 6 JUNE 2016 ADOPTED MINUTES

Present: Mr Ross Barrett (Chair), Mr Robert Tonkin (Deputy Chair), Mr David Dawes, Ms Chris Purdon and Mr Jim Shonk

In Attendance: [REDACTED] (Director, Knight Frank – *for Agenda Item 153.4.1*), Mr Tom Gordon (Executive Director, Greenfield), Ms Anita Hargreaves (Chief Financial Officer – *for Agenda Items 153.2.1 - 153.2.3 and 153.3.2*) and Mr Chris Wilson (Director, Office of the Chief Executive Officer)

Apologies: Ms Sandra Lambert

Secretary: Ms Alexis Steffen

MEETING OPENING

153.1.1 Welcome and Review of Attendance

The Chair declared the meeting open at 0925 and welcomed those in attendance.

Apologies were received from Ms Sandra Lambert.

153.1.2 Confirmation of Agenda

The Chair requested that opportunities for cross-border development be considered under “Other Business”.

153.1.3 Declaration of Conflicts of Interest

No additional conflicts of interest were declared.

153.1.4 Confirmation of Minutes of the Previous Meeting/s

RESOLUTION

1. The minutes of Board Meeting 153, held on 28 April 2016, were accepted, subject to incorporation of amendments agreed to by the Board.

MATTERS FOR APPROVAL/ENDORSEMENT



153.2.3

'Winslade' (District of Stromlo) – Preliminary Assessment under the Land Acquisition Policy Framework

- The LDA has been approached by the owners of 'Winslade' (Blocks 435, 439, 440, 441, 456 and 476 in the District of Stromlo) to sell their property.
 - The property is situated between the 'Huntly' (Stromlo Blocks 412, 413, 426, 487 and 489) and "Fairvale" (Stromlo Block 518) properties, which have already been acquired by the LDA. Accordingly, 'Winslade' provides a good connection between 'Huntly' and Stromlo. Furthermore, the surface slope analysis indicates that the topography of the land is suitable for development.
 - The initial land valuation estimates the value of the property at between \$6.5-7.5 million. The preliminary assessment anticipates land sales revenue in the order of [REDACTED]
 - Based on these considerations, the Board supported the LDA undertaking a detailed assessment of the property against the Land Acquisition Policy Framework.

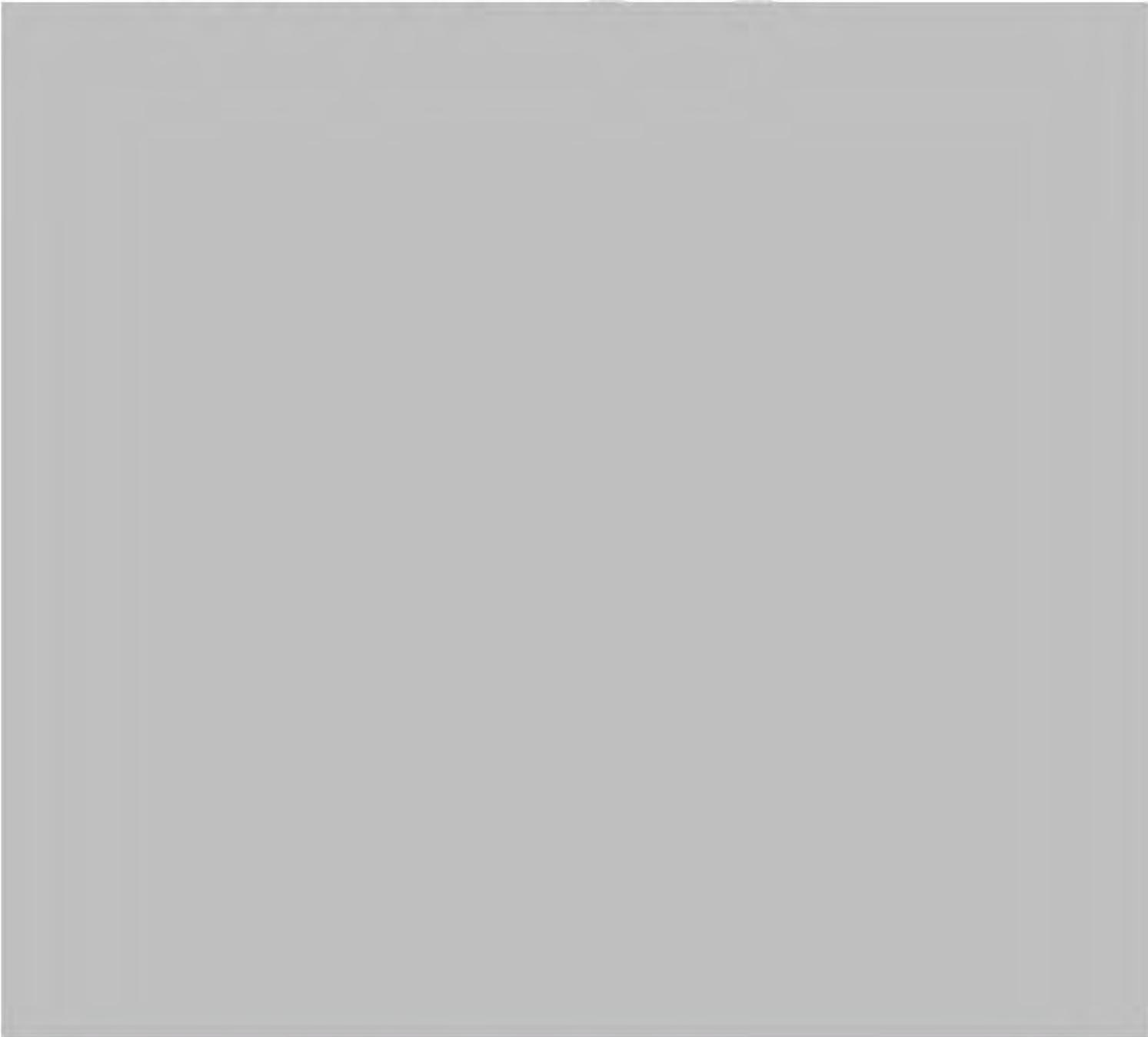
- The Board observed that the initial land valuation takes into account some of the underlying potential for urban development of the land. The Board recommended the LDA seek advice from the Government Solicitor's Office about the approach to be adopted for land valuations.

RESOLUTION

The Board:

[REDACTED]

2. Agreed that, [REDACTED] the LDA commence negotiations with the landholder for the possible acquisition of 'Winslade' in the District of Stromlo, with an upper limit of \$7.5m (excluding GST), consistent with the independent valuation.
3. Directed the LDA to undertake a detailed assessment of 'Winslade' under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*.



153.4.2

West Belconnen Project – Land Acquisition

- TransGrid had planned to deliver a switching station in the Wallaroo area of New South Wales (NSW). As the proposed switching station would have adversely impacted the West Belconnen Joint Venture (JV) development the ACT Government proposed an alternative site on Stockdill Drive.
 - The acquisition of land and/or rights for easements on: part of Belconnen Block 1601 (██████████ Land); Belconnen Block 1600 (██████████ Land); and Belconnen Block 1582 (██████████ Land), is required to facilitate the development of the switching station and a water reservoir for the JV project.
- While the acquisitions fall within the delegation of the Chief Executive Officer (CEO), advice was provided to the Board because of the intention to have Block 1582 incorporated into the JV through the 'additional land' clause of the West Belconnen Joint Venture Agreement (JVA). In considering the value of the acquisitions, the Board was advised that:
 - The acquisitions will not adversely affect the amenity of the West Belconnen JV residential development.
 - The acquisitions will add significant value to the West Belconnen JV by enabling a potential increase in yield of between 120-160 residential dwellings.
 - There is adequate access at the alternative location for the school.
 - By purchasing land to be sold to the JV, the LDA will benefit from only having to pay 1 per cent in goods and services tax (GST) for the land.
 - TransGrid and Icon Water will reimburse the LDA approximately \$500,000 for the easements required for the switching station and water reservoir.

RESOLUTION

The Board:

1. Noted the negotiations to date with landholders on the proposed acquisition of easements and land on Blocks 1582, 1600 and 1601 (District of Belconnen) for the West Belconnen and ACT Second Electrical Supply Projects.
2. Noted the importance of an expeditious resolution to the negotiations, and the additional development opportunities that acquisition of Block 1582 would afford the West Belconnen Project.
3. Noted that commercial valuations have been undertaken for the [REDACTED] (Belconnen, part Block 1601) and [REDACTED] lands (Belconnen, Block 1582).
4. Agreed to the LDA finalising negotiations for a contract to purchase part Block 1601 in the District of Belconnen ([REDACTED] land) for the easement, substation and water reservoir for the proposed total price of [REDACTED] (excluding GST) subject to final determination of requirements.
5. Agreed to the LDA finalising negotiations for a contract to purchase Block 1600 in the District of Belconnen ([REDACTED] land) for the proposed electrical easement, for the proposed price of [REDACTED] (excluding GST), subject to final determination on the alignment.
6. Agreed to the LDA finalising negotiations for a contract to purchase Block 1582 in the District of Belconnen ([REDACTED] land) for the purpose of an easement and other potential uses, for the proposed price of [REDACTED] (excluding GST).
7. Noted that, once the Joint Venture (JV) Board has been formally established, it is proposed to seek the JV Board's agreement to incorporate Block 1582 in the District of Belconnen ([REDACTED] land) into the Joint Venture.

153.5.3

West Belconnen Subcommittee Report

- The West Belconnen JV agreement was executed on 19 May 2016, however, the commencement of the agreement is linked to a disallowance notice in the Commonwealth Parliament.

- Noting that, in accordance with the current sitting schedule for the Commonwealth Parliament, the JVA may not commence until August 2016 at the earliest, the Board recommended that the JV Board commence meetings to ensure that the project progresses.
- The Chair expressed his disappointment that the West Belconnen JVA was signed without providing Board members an opportunity to undertake a final review of the agreements.

RESOLUTION

The Board:

1. Noted the West Belconnen Subcommittee Report.
2. Agreed that the members appointed to the West Belconnen Joint Venture Board commence meeting to ensure that the project progresses, with the Executive Director, Greenfield to exercise decision-making within the existing delegations assigned to the position.



The minutes of Land Development Agency Board meeting 153, held on 6 June 2016, were accepted as an accurate record of the meeting.

Mr Ross Barrett
Chair



ABN 204 199 255 79

TransACT House
470 Northbourne Avenue
Dickson ACT 2602

GPO Box 158 Canberra ACT 2601

Phone: (02) 6205 0600
Fax: (02) 6207 5101
Email: lda@act.gov.au
Web: lda.act.gov.au

Ms Maggie Stephenson
Leasing Officer
Environment, Planning and Sustainable Development Directorate
Dame Pattie Menzies House
Level 1 South
16 Challis Street Dickson ACT 2602

Dear Ms Stephenson

Land Development Agency (LDA) Purchase of Blocks 435, 439, 440, 441, 456 and 476 Stromlo (Land) from [REDACTED] (Seller)

I refer to the Crown lease over the above blocks purchased by the Land Development Agency from [REDACTED] under the Contract for Sale dated 13 June 2017.

The Land Development Agency requests the consent of the Territory and the Planning and Land Authority to the transfer of the Crown lease and the sublease of the Land, as required by Clause 3(b)(iii) of the Crown lease (**enclosed**).

As the Crown lease is a rural lease, I, as the authorised delegate for the Land Development Agency, undertake it will enter into a Land Management Agreement within the meaning of the *Planning and Development Act 2007*, within six months of registration of the transfer of the Crown lease being registered unless it is surrendered beforehand.

Please provide your consent, on behalf of the Territory and the Planning and Land Authority, by:

1. endorsing Form 52 – Transfer, under the “ACTPLA – Minister’s/ Delegate’s consent” section; and
2. endorsing Form 72 – Sublease.

Please provide your written consent as soon as convenient, so that the Land Development Agency may attend to registration.

Should you have any questions please do not hesitate to contact our office.

Yours sincerely

Neil Bulless
A/G Chief Executive Officer
Land Development Agency
June 2017



ACT
Government

Economic Development



Land
Development
Agency

CANBERRA FIRST

ABN 204 199 235 79

TransACT House
470 Northbourne Avenue
Dickson ACT 2602

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Web: lda.act.gov.au

Ms Maggie Stephenson
Leasing Officer
Environment, Planning and Sustainable Development Directorate
Dame Pattie Menzies House
Level 1 South
16 Challis Street Dickson ACT 2602

Dear Ms Stephenson

**Land Development Agency (LDA) Purchase of Blocks 435, 439, 440, 441,
456 and 476 Stromlo (Land) from [REDACTED] (Seller)**

I refer to the Crown lease over the above blocks purchased by the Land Development Agency from [REDACTED] under the Contract for Sale dated 13 June 2017.

The Land Development Agency requests the consent of the Territory and the Planning and Land Authority to the transfer of the Crown lease and the sublease of the Land, as required by Clause 3(b)(iii) of the Crown lease (enclosed).

As the Crown lease is a rural lease, I, as the authorised delegate for the Land Development Agency, undertake it will enter into a Land Management Agreement within the meaning of the *Planning and Development Act 2007*, within six months of registration of the transfer of the Crown lease being registered unless it is surrendered beforehand.

Please provide your consent, on behalf of the Territory and the Planning and Land Authority, by:

1. endorsing Form 52 – Transfer, under the "ACTPLA – Minister's/ Delegate's consent" section; and
2. endorsing Form 72 – Sublease.

Please provide your written consent as soon as convenient, so that the Land Development Agency may attend to registration.

Should you have any questions please do not hesitate to contact our office.

Yours sincerely,

[REDACTED]
Neil Bulless
A/G Chief Executive Officer
Land Development Agency

16 June 2017



SUBJECT: Draft Business Case for Potential Purchase of Winslade

To: Chief Executive Officer, Land Development Agency

- Deputy Chief Executive Officer, Land Development Agency
- Chief Financial Officer, Land Development Agency
- Executive Director, Greenfield

Date: 24 October 2016

Purpose

To seek your agreement to release the draft Business Case (Attachment A) for the potential purchase of Winslade to Treasury for their consideration prior to seeking formal agreement from the incoming Government to purchase the site.

Background

Winslade comprises of six rural blocks with a total area of approximately 486 hectares held under a 99 year rural lease by [REDACTED]. The lease runs until 2101.

The area is in the Stromlo district, approximately 3km west of Duffy/Wright, and is in the middle of the Western Edge Study area under the ACT Planning Strategy. Winslade also correlates well to other land purchases in the same area by the Land Development Agency (LDA). Huntly, Lands End in Central Precinct of Molonglo and Block 19 Stromlo to the west of Weston Creek also fall in the Western Edge Study area.

The LDA was approached by [REDACTED] offering the property for sale. The attached Business Case provides an analysis of the potential benefits and risks to the LDA in progressing with the purchase.

Board Consideration

The Board considered the potential purchase at its meeting of 6 June 2016. At that meeting, the Board:

1. [REDACTED]

Action:

[REDACTED]



2. Agreed that, [REDACTED] the LDA commence negotiations with the landholder for the possible acquisition of 'Winslade' in the District of Stromlo, with an upper limit of \$7.5 million (excluding GST), consistent with the independent valuation.

Action:

The Executive Director, Greenfield has met with the owner of the Winslade Property,

[REDACTED] At the meeting:

- [REDACTED] indicated that he was satisfied with the detail covered in the valuation assessment provided by Knight Frank, however, his expectation of the value would be above [REDACTED]
- The LDA responded that a sale at this price would not be acceptable.
- [REDACTED]



- it was stressed that for a sale to proceed at this value the LDA will require agreement not only from the LDA Board but the Minister and Treasury.

3. Directed the LDA to undertake a detailed assessment of 'Winslade' under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*.

Action:

An assessment under the Framework is at section 1.2 of the attached Business Case.

Consultation

It is considered prudent to present the draft Business Case to Treasury for their comment during the caretaker period. The Business Case can then be finalised for presentation to the LDA Board and the incoming Government, dependant on relevant approval processes.

The draft Business Case has been prepared by the Greenfield Branch and approved by the Chief Financial Officer.

Recommendation

That you agree to release the draft Winslade Business Case to Treasury for consideration prior to seeking agreement from the incoming government.

(preliminary discussion)

Action Officer: Chris Webb
Branch: Greenfield
Extension: x76824



David Dawes 10/11/16.
AGREED/NOT AGREED/PLEASE DISCUSS

* TG.
Understand now that this is a "draft/draft". Would be worth discussing with Neil prior to your discussion with TSY.
DD
10/11



SENSITIVE

To: Minister for Housing and Suburban Development

Tracking No.: BM17/1709

From: Executive Director, Greenfield

Date: 7 July 2017

Subject: Rural Land Acquisitions – Winslade and Part Wagtail Park

Critical Date: 14 July 2017

Critical Reason: To brief you on the purchase of Winslade in the District of Stromlo and Part Block 1601, known as Wagtail Park, in the District of Belconnen.

- DG .../.../...

Purpose

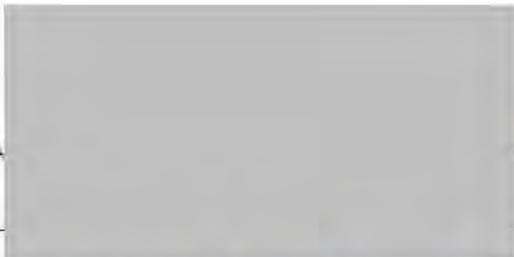
To provide you with information on the acquisition of the rural property 'Winslade' in the District of Stromlo and the acquisition of part Block 1601 Belconnen, including easements, for the ACT Second Electricity Supply project.

Recommendation

That you note the information contained in this brief.

Noted/ Please Discuss

Yvette Berry ML



... 17/07/17

Minister's Office Feedback

Very interested to be briefed on the new land acquisition strategy

SENSITIVE

Winslade

1. This acquisition proposal is the subject of an approach by the current owner [REDACTED] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD, fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntley and to the west by the Murrumbidgee River. Winslade is only 3 kilometers from the western edge of Denman Prospect in Molonglo Stage 2.
2. The acquisition of Winslade can be considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts in the Stromlo District. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.
3. The majority of the land (92%) within Winslade is less than 20% slope which is optimal for urban development. The land is modified from past agricultural use so is unlikely to have significant environmental value. Core ecological connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.
4. Winslade is strategically located between the LDA's properties of Huntly to the north and Fairvale to the south. Acquiring this property would provide opportunity for infrastructure connections between these two areas. In addition, it has the potential to provide additional access to Huntly which may be a significant consideration for emergency services in any future urban development.
5. The former LDA engaged a valuer to undertake an independent valuation assessment of Winslade as a rural property to assist in negotiating a fair market value with the current owner. The negotiated purchase price is \$7.5 million which is consistent with the market value.
6. The acquisition has been formally assessed against, and found to be consistent with, the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* and the thresholds contained therein. As the acquisition is above \$5 million, approval is required by the Chief Minister and Treasurer. The business case was therefore provided to Treasury after agreement by the LDA Board, who briefed the Chief Minister and Treasurer and subsequently gained his approval on 1 May 2017.

Wagtail Park

7. Block 1601 is currently owned by the [REDACTED]. Approximately 20ha of Block 1601 is required to locate a new water reservoir and a new switching station for the second electricity supply project. The project is designed to achieve the security of electricity supply by providing a geographically separate electricity supply to the Territory within certain capacity requirements. The project is being delivered by Transgrid, which precipitated the need for easements on sites surrounding the West Belconnen project, as well as the electrical switching station site.
8. The water reservoir site is required by Icon Water to provide supply to Ginninderry.
9. Negotiations have now been finalised with the [REDACTED] to purchase a land parcel on Block 1601 for the substation and the water reservoir. Transmission line and

other easements will also be purchased. This equates to a total area to be purchased/encumbered of 19.91ha.

10. Based on the valuation advice and proposed land uses, a negotiated position and agreement on key terms of purchase was been agreed by the former LDA Board. The total purchase price is \$1,614,100 excluding GST. This position has been supported by independent valuations (one by the former LDA and one from the seller).
11. The SLA will pay for the upfront costs associated with the purchase of the rights to the land, and will then be reimbursed by Transgrid and Icon Water for the right to easements and leases for the sub-station and water reservoir site respectively.

Financial Implications

12. The purchases are provided for in the Suburban Land Agency's accounts.

Consultation

Internal

13. SLA.

Cross Directorate

14. The ACT Second Electricity Supply project is overseen by a Steering Committee of Directors-General from the Environment Planning and Sustainable Development Directorate, Treasury and the Justice and Community Safety Directorate. The Steering Committee has been regularly briefed on the land acquisitions.

External

15. Transgrid and Icon Water.

Benefits/Sensitivities

16. The acquisitions will ensure future governments are able to make considered decisions on the growth of Canberra and ensure a secure power supply for the Territory.

Media Implications

17. The Government's purchases of rural properties have been the subject of media coverage.

Signatory Name: Tom Gordon
 Action Officer: Chris Webb

Phone: 75553
 Phone: 76824

Attachments

| Attachment | Title |
|--------------|--------------------|
| Attachment A | Site Location Plan |
| Attachment B | Property Plan |



ACT
Government

Land Acquisition

Business Case

| | |
|--|---|
| Project Name: | Acquisition of Rural property known as Winslade |
| Project Value: | \$7.5 M for purchase price. |
| Risk Assessment (high/med/low): | Low |
| Proposed Delivery Model: | Future Residential Subdivision |
| Requesting Directorate: | Treasury Directorate |
| Requesting Minister: | Andrew Barr |

Contact Officers

Contact Officer, Requesting Directorate:

Dave Richardson, LDA

Reviewing Officer, Treasury:

Sign Offs

Tom Gordon

Acting Executive Director, Land Development Agency:

Anita Hargreaves

CFO, Land Development Agency:

David Dawes

CEO, Land Development Agency:

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1. Purchase Outline

1.1 Property Overview

Winslade comprises of six (6) rural blocks with a total area of approximately 486 hectares held under a 99 year rural lease with considerable time to run by [REDACTED] ('the lessee'). The lease runs until 2101. The lease permits the use of Winslade principally for agriculture and the property has primarily operated as a Cattle farm.

The lease commenced in 2002 and is over Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo. Winslade is currently being operated as a commercial farming operation.

The LDA was approached by the current owner to see if the LDA was interested in purchasing the property. The LDA undertook a market valuation of the property with the valuer Knight Frank determining a current rural value of \$6.5m to \$7.5m excluding GST. The owner indicated an interest to sell at a price consistent with the valuation. If purchased, the LDA would sublet the operations of the property until land development activity commences.

1.2 Land Acquisition Policy Framework

The *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* ('the framework') came into effect on 20 June 2014 allowing the LDA to undertake strategic land acquisitions in accordance with the framework. The acquisition of this property falls within this Framework.

Acquisition Thresholds and Approved Decision Makers

The Framework provides for a land acquisition limit of \$20 million (per financial year) after which Government agreement is required for each purchase.

Any land acquisitions:

- below \$5 million require agreement by the LDA Board with advice to the relevant Minister;
- between \$5 million and \$20 million requires agreement by the Chief Minister and Treasurer with a business case provided to ACT Treasury; and
- over \$20 million, agreement by Government.

Note that this acquisition falls within clause 2.2.1 (b) of the Framework and requires agreement by the Chief Minister and Treasurer. This business case is to address the requirements of the Framework by providing the acquisition details to ACT Treasury for this land acquisition.

Note also the Framework identifies that Government agreement is required for any acquisition by the LDA that results in a cumulative annual total of \$20 million in acquisition being exceeded. The cumulative annual total means all acquisitions within a financial year – 1 July to 30 June.

Assessment Against Principles

The Framework also sets out principles by which to assess the acquisition. Below is an assessment against each of the principles:

- **The Intended Outcome Principle**

The purchase of this property by the LDA is to provide security for future Greenfield land, unlock the potential for future acquisition of adjacent properties and respond to future growth requirements.

- **The Policy Alignment Principle**

The *Canberra Plan* published in 2008 highlighted significant increases in population, the growth of the economy, gross household income, a small increase in the labour market and increases in housing numbers. This highlights growth in the economy and an increase in housing demand. The *ACT Planning Strategy – Planning for a Sustainable City (2012)* (the Planning Strategy) provides a clear indication of where the main areas of growth should be located. The Western Edge Study extending from the southern edge of Belconnen down the western side of Molonglo and Tuggeranong includes the Central Precinct of Molonglo as well as the property of Huntly and land surrounding Mt Stromlo, including Winslade. See Section 2.

- **The Value for Money Principle**

LDA sought land valuation from Knight Frank to assist in negotiating a fair market value. Knight Frank valued the site at \$6.5m to \$7.5m million GST free. The valuation noted that this valuation is at the upper end of the ACT rural leasehold market, but also noted the nature of prime ACT rural properties in the Stromlo area.

By acquiring this block now, the Territory is able to capture the uplift in land value before rezoning from rural to residential, estimated at [REDACTED] (being Englobo value less capital works), as well as open the door to greater development opportunities with the surrounding blocks. The worst case position shows a [REDACTED] return to the Territory for a \$7,500,000 initial outlay plus \$4,000,000 for due diligence work to be undertaken over the next 10 years. See Section 4.

- **The Risk Management Principle**

A risk assessment has been undertaken which highlights that all key risks can be mitigated and the Territory is not exposed. It is considered that the outcome for the proposed acquisition is achievable. See Section 3.

1.3 LDA Board Approval

In June 2016, the LDA Board approved entering negotiations for the possible acquisition of Winslade up to a limit \$7.5m GST free.

Since that meeting the LDA has conducted a valuation review of farm operations and the financials of the property with the agreement of the current lessee as well as preparing this business case prior to discussion with Treasury to seek its support in accordance with the Framework.

FIGURE 3 - Strategic Acquisitions

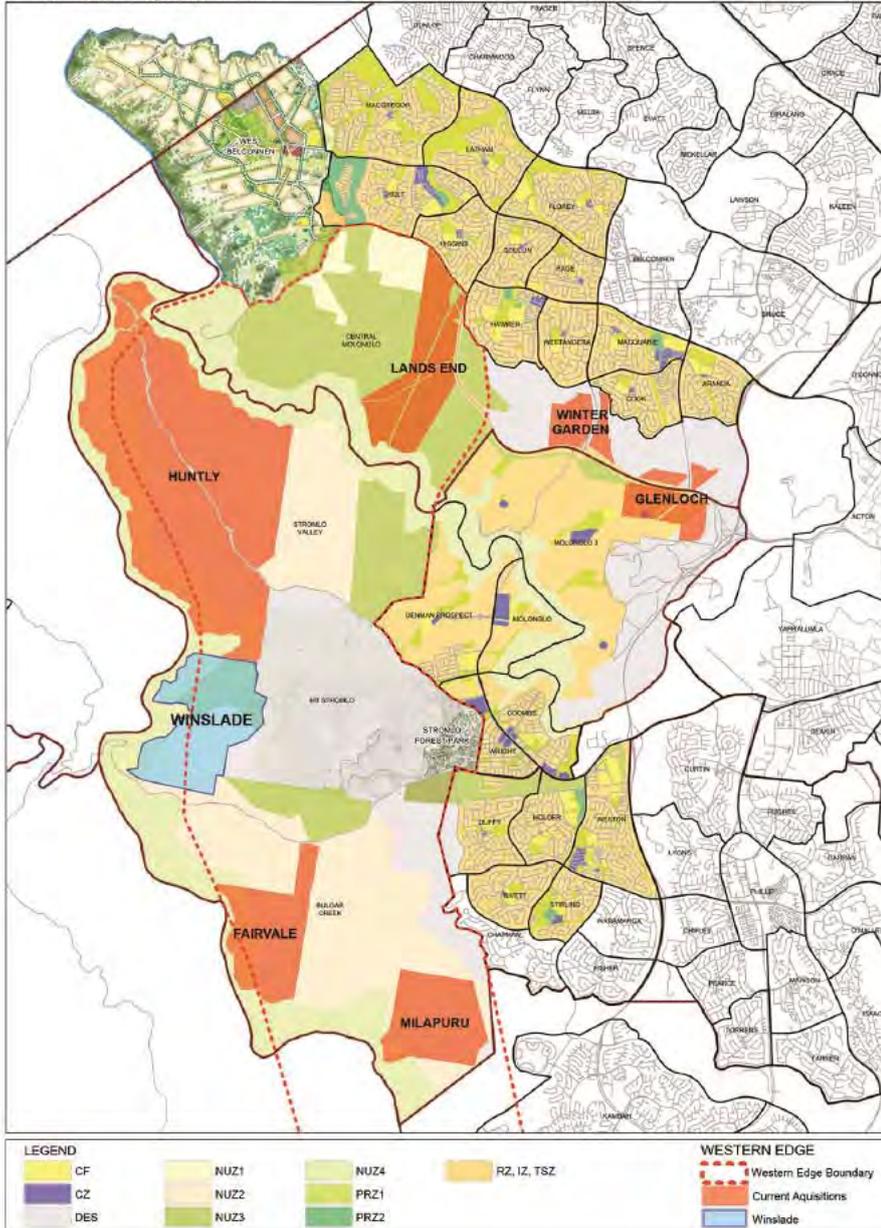


Figure 1 – Winslade Location

2. Needs Analysis

The purchase of this property by the LDA is to provide security for future Greenfield land, unlock the potential for future acquisition of adjacent properties and respond to future growth requirements as discussed in 2.1 below in accordance with the *ACT Planning Strategy – Planning for a Sustainable City (2012)* (the Planning Strategy).

This approach is predicated on the existing rural land use for Winslade, the fact that a number of the blocks in this area are adjacent to existing urban infrastructure, and advice that the lessee is a willing seller after first approaching the LDA.

The purchase of Winslade will add to the blocks north and south of the Molonglo River as well as south of the Cotter Road that have already been purchased by the LDA as a strategic acquisition in the District of Stromlo to create the potential for a greater developable area as set out in the Planning Strategy. These acquisitions are shown at Attachment 2.

2.1 Suitability

The *Canberra Plan* published in 2008 highlighted significant increases in population, the growth of the economy, gross household income, a small increase in the labour market and increases in housing numbers. This highlights growth in the economy and an increase in housing demand. While the resultant Structure Plan that developed from these earlier considerations, it concentrated development focus in the Eastern Precinct, the key principles of the Canberra Spatial Plan would equally apply to cover the Stromlo region adjacent to Molonglo.

The key principles are:

- Containing growth
- Residential intensification
- Centralising new residential areas
- Locating employment
- Protecting biodiversity
- Good travel connections
- Sustainable growth of the region.

In the Planning Strategy there is . Figure 2 from the Strategy indicates those areas where investigations should focus between 2012 and towards the end of the Strategy.

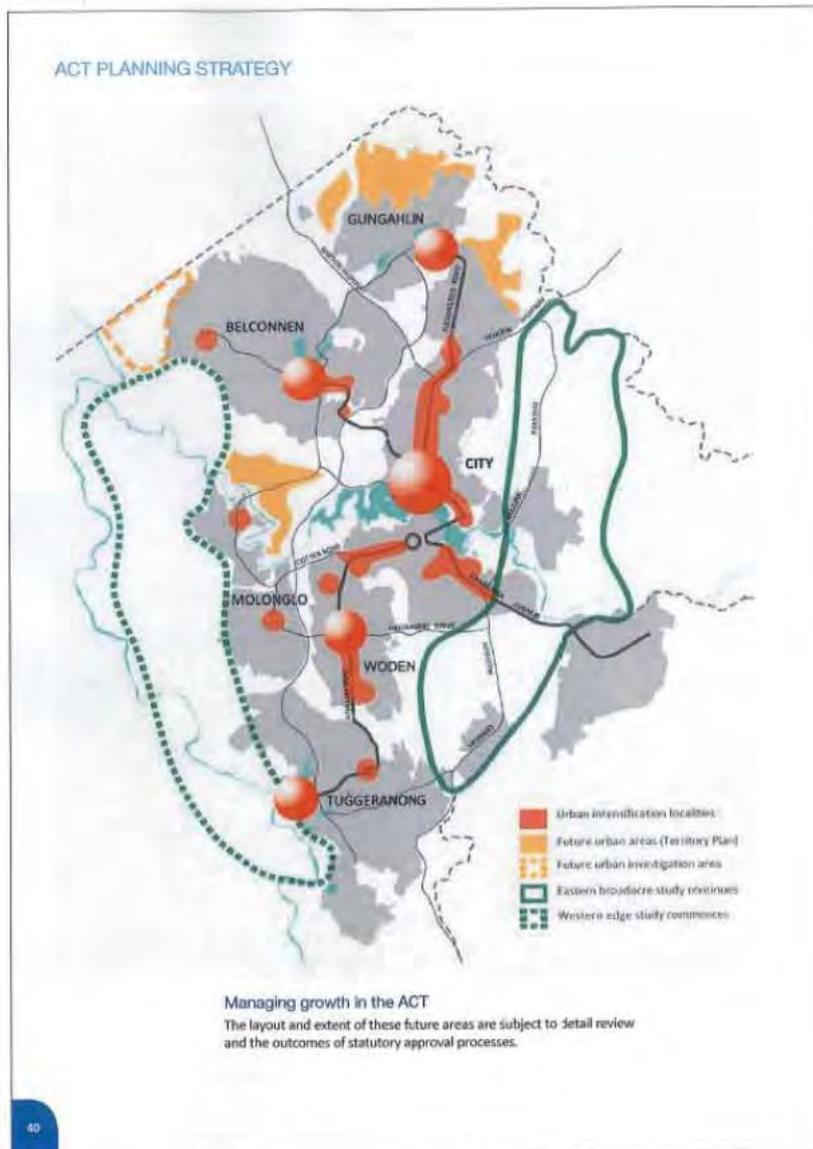


Figure 2 – ACT Planning Strategy

The areas identified include the remainder of Gungahlin (now well advanced), Molonglo Stage 3 (in the Land Release Program for first release in 2018-2019), West Belconnen (planning well advanced), the Eastern Broadacre Area (EPBC Strategic Assessment in process), and the Western Edge Study extending from the southern edge of Belconnen down the western side of Molonglo and Tuggeranong. This latter area includes the Central Precinct of Molonglo as well as the property of Huntly and land surrounding Mt Stromlo. The southern part of the Western Edge Study includes West Murrumbidgee which was the subject of detailed planning in the mid seventies by the former National Capital Development Commission (NCDC).

Winslade also correlates well to other land purchases in the same area by the LDA. Huntly, Lands End in Central Precinct of Molonglo and Block 19 Stromlo to the west of Weston Creek also fall in the Western Edge Study area identified in the ACT Planning Strategy. Further

properties in this area are likely to become available over the next 5 or 10 years which provides Government with development opportunities that until now have not been considered.

As the Planning Strategy points out, short and longer term actions are critical to achieving current policy or to initiating more substantial, long lasting change opportunities.



The potential purchase of Winslade is considered a significant strategic acquisition in securing land ahead of time adjacent to the other already identified acquisitions in the Stromlo district. In the meantime the property would be maintained as a commercial rural operation until a variation to the Territory Plan was supported for future urban development.

2.2 Demand and Supply

A detailed analysis of Demand and Supply is included at **Attachment 4**.

In summary, the purchase of Winsalade is to add to available land supply for the period 2035 to 2045. The analysis of demand and supply indicates that at 2030:-

- Gungahlin supply is expected to be completed (by 2028);-
- West Belconnen (ACT) is likely to be 50% released by 2030, leaving 2,500 to 3,000 detached housing sites available, most of which are expected to be developed after

the NSW component of West Belconnen is developed. The NSW component will offer in the order of 3,500 to 4,500 detached housing sites (400 per year until 2045);

- Molonglo 3 is expected to have approximately 2,000 detached housing sites remaining at 2030 (400 per year until 2035);
- Ginninderra (CSIRO site) assuming the development proceeds will likely have approximately 3,500 detached housing sites remaining – (400 per year until 2039); and
- Developments in surrounding NSW, such as Tralee/Googong (or similar areas) will continue to provide supply to the region.

The development of Stromlo (Huntly, Winslade and land to the south of Mt Stromlo) and other strategic purchases West of Molonglo 3 will provide:

- Supply of approximately 400 detached housing sites per year until 2060;
- Be an addition, although likely a lower priced product, to Molonglo 3; and
- Provide a continuation of third development front within the ACT – in addition to West Belconnen (low priced supply) and Ginninderra (premium priced).

Overall supply from 2030 is likely to be provided by:-

- West Belconnen – estimated 400 detached housing sites per year;
- Molonglo 3 – estimated 400 detached housing sites per year for 5 years;
- Ginninderra – estimated 400 detached housing sites per year; and
- Stromlo – estimated 400 detached housing sites per year,

This totals approximately 1,600 detached housing sites per year.

2.3 Issues

Opportunities to purchase Greenfield land in strategic locations are limited. The landowner of Winslade has approached the LDA. Following negotiations the current landowner has indicated that they will accept an offer of \$7.5m GST free for the property, which is within the market range for a rural property of this kind according to the Knight Frank report.

2.4 Benefits

Winslade is in a strategically advantageous position for future development which would capture the uplift in value for the land rezoning from rural to residential purposes. An estimated [redacted] dwellings could be delivered on this property based on an assumption of 60% developable area.

The area is in the Stromlo district, approximately 3km west of Duffy/Wright, and is the middle of the Western Edge Study area. Winslade also correlates well to other land purchases in the same area by the LDA. Huntly, Lands End in Central Precinct of Molonglo and Block 19 Stromlo to the west of Weston Creek also fall in the Western Edge Study area identified in the ACT Planning Strategy. Further properties in this area are likely to become available over the

next 5 or 10 years which provides Government with development opportunities that until now have not been considered.

Initial assessments have confirmed the potential of Winslade to deliver the benefits outlined above and subsequent more detailed capability assessments will be commenced at an appropriate time once the acquisition has been agreed.

In the future the Territory will continue to explore the acquisition of potential urban land on privately owned land holdings as well as explore other options for development with neighbouring land holders.

3. Risk Assessment

Current

3.1 Bushfire

There is a risk of bushfire impact on Winslade as evidenced by the 2003 bushfire. Winslade lost fencing, the shearing shed, associated yards and possibly stock in that fire.

- *Risk Mitigation - To reduce the risk, a bushfire risk strategy should be implemented immediately after the sale settlement if there isn't one in place with the current owner. A number of agencies including the Emergency Services Authority will be involved in the development of such a strategy. This will be implemented through the farmwise fire plan approved in the Land Management Agreement. The property will be fully insured through ACTIA.*

3.2 Assets

There are a number of assets on the property excluding the stock and dams. The assets include the main residence, original homestead, guest accommodation and many improvements including sheds, storage tanks and a horse arena. The fencing was completely replaced after the 2003 fires.

- *Risk Mitigation - Management of these assets will be undertaken by the current owner on a lease back arrangement to maintain in good repair.*

Future

3.3 Returns

Returns to Government in future urban development on Winslade are not as expected.

- *Risk Mitigation – Returns have been estimated using the best available information at the time. As due diligence and master planning proceeds, there will be updates to expected returns and Government will be kept informed. The financial analysis also estimates a conservative 60% development area to determine future returns.*

3.4 Management

The management of the property will be vested in the current owner under a lease back arrangement and management agreement. The risk is that the management put in place does not adequately address all the risks related to the property such as seasonal variations etc or inappropriate stocking and market conditions.

- *Risk Mitigation - Management of Winslade should take into account this risk and ensure adequate responses are included in the final agreement. Any agreement must be reviewable at agreed timeframes so that consequential management action can be taken as appropriate. A sublease and land management agreement will establish management obligations which if not met would result in termination of the lease.*

3.5 Commitment Risk

Commitment risk is the movement away from already publicly identified longer term planning strategies by Government for the future of the ACT growth areas. In order to implement any strategy involves ensuring that land is available for future development. The LDA is working towards implementing the Government's longer term planning strategy.

- *Risk Mitigation - If the planning strategy changes direction away from a western edge study area, the LDA may have undertaken abortive work. However, in bringing land back from leased land to Territory controlled land allows Government maximum flexibility going forward at near minimal land costs rather than allowing the increase in land value due to changes of land use to pass to the private lease holders. In addition, there will be ongoing evaluation and review. If there is a significant change to Government policy, the Government may consider resale of the land as a mitigation measure to recover costs.*

3.6 Landholding Protection

This is the risk that other existing private lease holders will be unwilling to offer their leases back to Government in the short term and instead wait for land use changes to drive up land valuations. Alternatively, there is a risk that existing private lease holders will put their properties on the open market with the result of also raising land valuations. Both of these actions can make the agglomeration and cost of land development difficult and more costly to develop in accordance with any planning strategy.

- *Risk Mitigation – Winslade is situated adjacent to existing LDA holdings with minimal private leases adjacent. There is connectivity with Huntly which is LDA leased land. Development is still possible with the current profile, but the LDA will continue to monitor willing sellers in the area. Alternative development mechanisms such as joint ventures maybe appropriate.*

3.7 Timing Risk

The risk from a timing perspective is that the conversion of the land use changes in the western edge study area is delayed significantly by Government due to slower population

growth forecasts or a drop in land demand or there is a change in Government commitment by changing the direction for future growth. The process of conversion will take several years to complete where structure planning and capital works lead times may be subject to budgetary constraints pushing out dates to commence those processes. Part of the risk is the increased difficulty where land within potential development areas is not released Territory land.

- *Risk Mitigation – Ensure that the strategic planning process with EPD takes into account the longer term opportunities including Government commitments regarding strategic acquisitions by actively participating in that process and positively influencing outcomes.*

3.8 Ecological

Winslade is bordered by the Murrumbidgee River Corridor to the West. The risk due to interface issues not being able to be resolved in a timely manner is apparent and is being experienced in Eastern Molonglo.

- *Risk Mitigation – A coordinated approach to balance Social, Economic and Environmental issues similar to what is being applied in West Belconnen is likely to provide a more positive outcome and ensure timeframes and outcomes are agreed.*

4. Purchase Cost and Return to LDA

4.1 Purchase Cost

LDA sought land valuation from Knight Frank to assist in negotiating a fair market value. Knight Frank valued the site at \$6.5m to \$7.5m million GST free. The valuation noted that this valuation is at the upper end of the ACT rural leasehold market, but also noted the nature of prime ACT rural properties in the Stromlo area. After negotiations the seller and the LDA have agreed that if the LDA receives the appropriate approvals from the LDA Board and from Government the price will be \$7.5m million GST free.

However, it is proposed that the property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract. Given the future intent to develop residential land in this location in the medium term, the purchase price represents fair market value.

4.2 Estimated Land Return

The strategy approved by the LDA Board for this property purchase provides flexibility for future use. The stand alone financial evaluation for the Winslade property at Stromlo is shown below in the summary table.

Summary - Estimated Financial Outcomes

| | Commence 2035 | | Commence 2040 | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | Lower \$'000 | Higher \$'000 | Lower \$'000 | Higher \$'000 |
| Dwellings | | | | |
| Development Period | 2035-2044 | 2035-2044 | 2040-2049 | 2040-2049 |
| LDA Estate | | | | |
| Total Revenue | | | | |
| Total Expenditure | | | | |
| Surplus | | | | |
| | | | | |
| Englobo sale | 291 Hectares | 291 Hectares | 291 Hectares | 291 Hectares |
| Total Revenue | | | | |
| Capital works and land Cost | | | | |
| Surplus | | | | |
| | | | | |

By acquiring this block now, the Territory is able to capture the uplift in land value before rezoning from rural to residential, estimated at [REDACTED] (being Englobo value less capital Works), as well as open the door to greater development opportunities with the surrounding blocks

The worst case position shows a [REDACTED] return to the Territory for a \$7,500,000 initial outlay plus \$4,000,000 for due diligence work to be undertaken over the next 10 years.

The analysis is based on the following assumptions:

1. Revenue and costs escalated at 2.5 %.
2. NPV calculated on annual cash flow.
3. Sale rate of 400 dwelling per annum.
4. Summary provided on two commencement dates 2035 and 2040 with an assumed 10 years sales program.
5. Revenue – low = [REDACTED] per block and high = [REDACTED] per block (pre escalation)
6. Civil Estate Works - [REDACTED]
7. Capital works – [REDACTED]

Additionally, should the situation arise that the site is unable to be developed for whatever reason, the asset can be sold back into the market. As the purchase price is based on rural land value it would be expected that a similar rate would be achieved if sold back into the

market for rural purposes. Given there are several houses on the estate, the LDA has the opportunity to subdivide and sell multiple parcels at a higher rate.

A do nothing option presents risks in that the current owner may choose to locate another buyer. This buyer would be a position to approach the LDA in future years once the western edge is progressing, and offer the property for sale at a greatly increased premium.

A summary in current dollars escalated at 2.5% per annum is included at **Attachment 5**.

4.3 Due Diligence and Planning Steps

Winslade is being operated as a commercial farm that is located within the ACT Planning Strategy's identified western edge study area for managing growth in the ACT. In order to progress any changes of land use to allow the development of future urban areas within the study area, a number of planning steps are required. These include:

- Ecological assessments may be done for at least the first 3 years to provide a base case of likely environmental constraints and then at suitable intervals thereafter. Contamination assessments will determine likely areas that will need further assessment as the time for land use zoning changes occur. Likely sources of contamination are sheep dips, garbage pits, uncontrolled fill and possible asbestos contamination.
- Initial study into infrastructure requirements and identify likely budget requirements. Preliminary LDA master planning is required to test development potential and infrastructure requirements and discuss at regular intervals with EDD and EPD for support.
- Monitoring land supply and demand and provide updates to Government regarding possible timing for any land use changes and agreed processes.
- Undertake normal due diligence assessments and update master planning once Government has committed land use changes.
- At a future agreed time, seek formal EPD agreement to steps including variations and amendments to statutory plans and environmental clearances.

The following is a preliminary estimate of the expected LDA costs to undertake the necessary due diligence and other studies to convert the property to urban land use in the time period from 2016 through to 2035 and correlates closely with the preliminary indicative timing and the studies identified in Section 8 of this submission for the respective years shown. Note that the time period is dependent on Government policies directions.

- 2017 – 2020 – Initial LDA due diligence and infrastructure requirements, Estimated budget of \$300,000
- 2020 – 2030 – Continuation of LDA ecological monitoring, Estimated budget of \$300,000

- 2020 – 2030 – Preliminary LDA master planning and updating options, including initial capital works requirements, Estimated budget of \$200,000
- 2019 – 2030 – LDA undertake the remaining due diligence assessments and update master planning once Government has committed land use changes, participate in forward planning for capital works infrastructure, Estimated budget of \$1-2M
- 2025 – 2035 – Complete formal statutory assessments (Commonwealth and ACT), and finalise variation and amendment to both the Territory and National Capital Plans, Estimated budget of \$1M.

The estimated total for the above work is in the order of \$4M.

As seen by the above list, the timing indicates both a short term and longer term horizon that will be qualified as the work progresses. Also, it should be noted that the process and lead times to complete some of this work can be as long as 5 years especially when considering the provision of infrastructure and funding.

5. Timeline

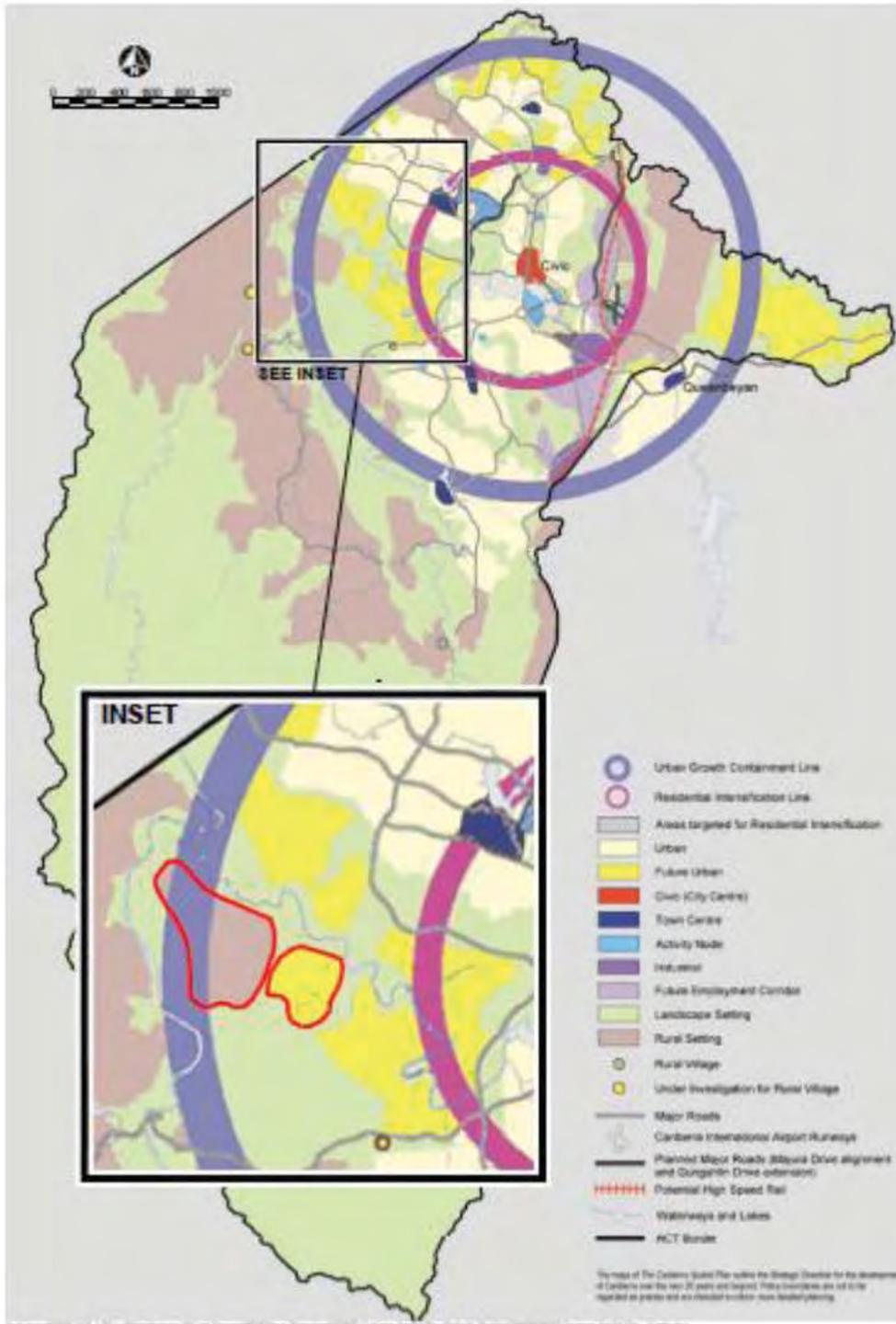
The expected timeframe for commencing the development of this property regardless of approach or scale with surrounding land owners is in the order of 10 years. The development period, depending on demand and other development fronts is in the order of 25 years.

6. Recommendation

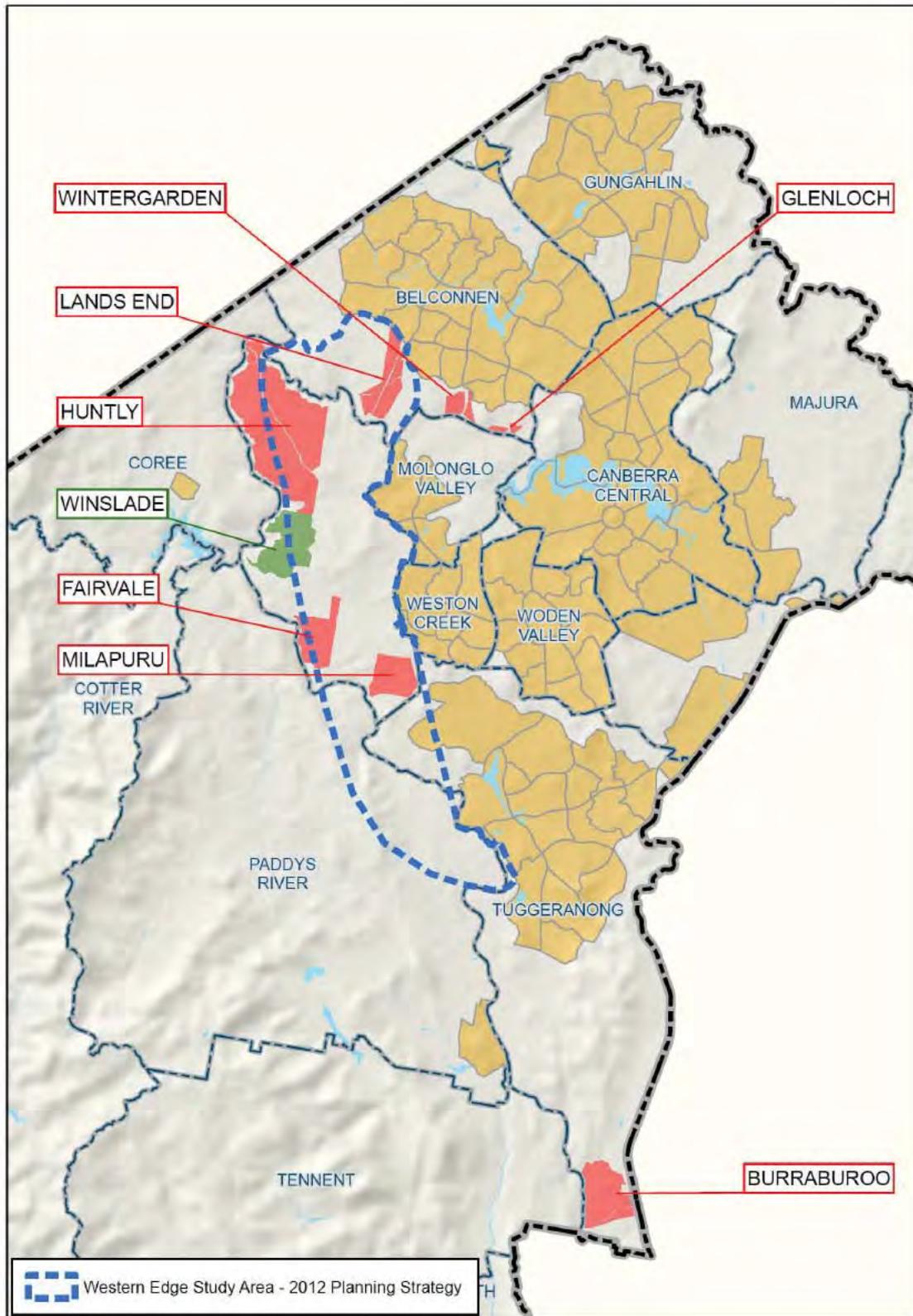
It is recommended that ACT Treasury support the LDA proceeding with the purchase of Winsalde in accordance with the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* on the basis of its strategic value to the broader acquisitions and the significant potential for financial return.

The purchase of this property by the LDA will provide security for future Greenfield land, unlock the potential for future acquisition of adjacent properties and respond to future growth requirements as contemplated in the *ACT Planning Strategy*. It will add to the blocks north and south of the Molonglo River as well as south of the Cotter Road that have already been purchased by the LDA as a strategic acquisition in the District of Stromlo to create the potential for a greater developable area as set out in the *Planning Strategy*.

Attachment 1 – The Canberra Spatial Plan (2004) – Strategic Direction Map



Attachment 2 – LDA Acquisitions Map



Attachment 3 – Preliminary Due Diligence

This paper reports on the desk-top due diligence investigation on the Winslade property. It should be noted that only brief site access was available to the lease for preliminary site inspection work so verification and on-site assessments have not been undertaken at this stage.

The analysis draws together material from:

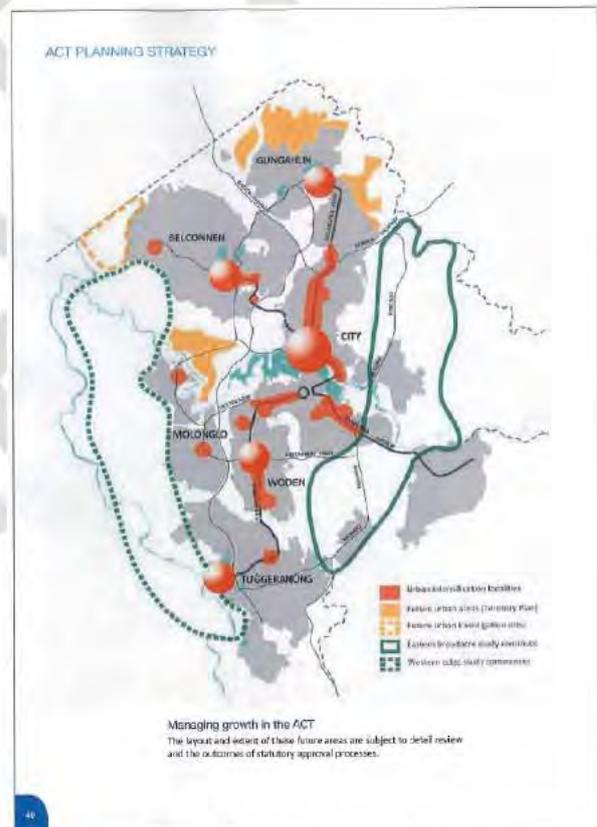
- An initial assessment of the potential risks or constraints from aerial photography, and brief site visit.
- a corporate knowledge of due diligence investigations by the Development Ready (Estates) unit for LDA land releases

As part of this study an estimate of potential dwelling yield for Winslade will be provided and the cost of necessary assessments and remediation will also be included.

1. Planning Context

In the ACT Planning Strategy 2012 there is a clear indication of where the main areas of growth should be located. Figure 2 from the Strategy (shown right) indicates those areas where investigations should focus between 2012 and towards the end of the Strategy.

The areas identified include the remainder of Gungahlin (now well advanced), Molonglo Stage 3 (in the Land Release Program for first release in 2018-2019), West Belconnen (planning well advanced), the Eastern Broadacre Area (EPBC Strategic Assessment in process), and the Western Edge Study extending from the southern edge of Belconnen down the western side of Molonglo and Tuggeranong. This latter area includes the Central Precinct of Molonglo as well as the property of Winslade. The southern part of the Western Edge Study includes West Murrumbidgee which was the subject of detailed planning in the mid seventies by the former National Capital Development Commission (NCDC).



Winslade also correlates well to other land purchases in the same region by the LDA. Lands End in Central Precinct of Molonglo, Huntly, Fairvale and Block 19 Stromlo all to the west of Weston Creek also fall in the Western Edge Study area identified in the ACT Planning Strategy. Further properties in this area are likely to become available over the next 5 or 10 years which provides Government with development opportunities that until now have not been considered.

As the Planning Strategy points out, short and longer term actions are critical to achieving current policy or to initiating more substantial, long lasting change opportunities.



The potential purchase of Winslade is considered a beneficial strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts in Stromlo. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

2. Issues

Due Diligence

A desktop due diligence study is being conducted by the Development Ready (Estates) unit of LDA on Winslade to inform Executive in arriving at a decision regarding its suitability for strategic acquisition and future inclusion in the Land Release Programs in an appropriate time frame.

The desktop due diligence study considered a range of opportunities and constraint parameters including the following:

1. *Lease parcels and operational history*
2. *Land custodianship*
3. *Existing constraints including the bulk water supply main from Stromlo*

4. *Current servicing infrastructure*
5. *Possible site contamination*
6. *Possible Aboriginal and European heritage constraints (but not natural heritage)*
7. *Possible bushfire impacts*
8. *Major infrastructure concept plans for water supply, sewer, storm water and electricity*
9. *Possible tree / ecological constraints*
10. *Arterial road options and land uses*
11. *Topographic Survey*
12. *Environmental clearances*
13. *National Capital Plan*
14. *Territory Plan*
15. *Likely Development Scenario*

Each is discussed in detail below. Recommendations are made in each parameter regarding the need to carry out assessments and the likely cost to achieve the desired outcome for residential development. The final parameter of *Likely Development Scenario* will provide an estimate of dwelling yield and will make some assumptions about dealing with the opportunities and constraints discussed.

4.1. Lease Parcels and Operational History

Winslade comprises of six (6) rural blocks with a total area of approximately 486 hectares held under a 99 year rural lease with considerable time to run by [REDACTED] ('the lessee'). The lease runs until 2101. The lease permits the use of Winslade principally for agriculture and the property has primarily operated as a Cattle farm. Attachment B sets out the lease components.

The lease commenced in 2002 and is over Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo.

It should be noted that the existing boundary fencing does not necessarily coincide with the lease boundary. It is recommended that the lease will need a boundary survey to identify correct boundaries.

Recommendation

A lease boundary survey should be undertaken to identify correct boundary location.

Estimated Cost

The estimated cost for a boundary survey is \$15,000 including GST which should also cover the preparation of a Deposited Plan and Plan registration.

4.2. Land Custodianship

Winslade is currently under rural lease to [REDACTED] (see Attachment B). Stromlo forest park is immediately to the east of Winslade is currently managed by Sport and Recreation and the contact officer is Rod Florence. The land to the west is river corridor under TAMS land custodianship and contact officer is Darren Rosso. The land to the north is a LDA property known as Huntly and the contact officer is Dave Richardson.

Recommendation

If the decision is made to proceed to purchase the Winslade lease, then land custodianship should be held by LDA as the lease is to be considered for addition to the Land Release Program in the future. This would allow for due diligence assessments recommended below to be undertaken and relevant clearances to be obtained prior to commencing urban development.

Winslade being directly adjacent to Huntly may make this property attractive to be added to Huntly's Land Management contract.

4.3. Existing Constraints including the Bulk Water Supply Main from Stromlo

The Land within Winslade zoned Rural and Hills Ridges and Buffer is predominantly 10% or less, slope (58%) and only 2% of the Block is above 20% slope. See Attachment C.

4.4. Current Servicing Infrastructure**Water Supply**

The Cotter to Stromlo bulk water main cuts through Block 470. While there are scours for cleaning the water main along the length of the interface, there is no potable water supply from the main. A further water main travels through Block 441, 439 and 435 and heads through Stromlo Forest Park towards the Mount Stromlo Water Treatment Plant. It appears that the residences do not have mains (potable) water supply.

Water licenses have not been investigated.

Sewer

Winslade homesteads and possibly other outbuildings appear to be serviced by septic tanks or equivalent.

Electricity

Electricity appears to be provided to the residences from an overhead low voltage power supply running through Block 476.

There is 11kv power line mounted on poles generally along the southern boundary of Block 456.

There is also an existing 132kV power line mounted on steel lattice towers running north south on the eastern side of Block 456 within a 60m wide easement granted in August 2015 to TRANSGRD. This easement was then transferred to NSW Electricity Works Operations PTY LTD in December 2016.

Gas

It is doubtful that piped gas is available to Winslade lease. It is more likely to have a bottled gas supply.

Communications

It is assumed that telephone services are available to the residences.

Recommendation

An assessment of the existing infrastructure services would need to be undertaken to verify the location of services and their capacities.

Estimated Costs

A review of existing infrastructure services and their capacities is estimated to cost \$30,000 including GST.

4.5 Possible Site Contamination

Generally, contamination is not a major show-stopper when it comes to residential development and there are no cases in the ACT where the LDA has had to modify development outcomes. All sites have been successfully remediated and certified suitable for residential use. Protocols are in place to deal with any unexpected contamination found during construction.

Proper testing, remediation, monitoring and Environment Protection Unit signoff is all required before development occurs with auditing where necessary. This is normal procedure and it should only take time and reasonable budget expenditure to overcome rural contamination. More concentrated contamination hotspots such as the Asbestos find at the Weston Creek Pond are not associated with rural operations.

Possible contamination areas of interest include existing dams and ponds, erosion contour banks, gully erosion, farm buildings including the homestead and miscellaneous outbuildings. Normal rural operations would also have fuel and chemical storage, machinery maintenance facilities, disposal pit and possibly a sheep-dip as other potential contamination hotspots.



There are approximately 21 dams or ponds on the total lease (Refer Attachment F). The majority of these dams or ponds appear to be small and could be areas of natural water pondage or could be a dam with little construction. Associated with these features are contour banks. These would be associated with normal farm runoff management.

It would be expected that the dams and ponds may collect residual silts from runoff and

possible minor contamination from the use of pesticides and other agricultural applications such as pasture improvement during normal farm operations.

Also evident are numerous overland flow paths that may have possible erosion but the extent of the impact does not appear to be significant from examination of aerial photography. Note however that rural practices in the past has seen dumping of uncontrolled fill and even general farm waste including Asbestos and old machinery in an effort to try and prevent active erosion from continuing.

Normally a sheep dip would be associated with rural properties especially where a shearing shed or stock yards are constructed. Winslade has a shearing shed and sheep and cattle yards. A sheep dip is not evident from an examination of the aerial photograph. However, one may be present.



There is an array of pits located in the centre of block 435 with an approximate surface area of 2500m². Farm dumps and animal pits are common occurrences on leases in the ACT. Farm dumps can contain household garbage, old machinery, fencing, Asbestos, chemical drums and other poisons. Animal pits can contain dead animals such as sheep, cattle, kangaroos etc. In both cases it would be expected that the dumps and pits would require proper contamination assessment and full remediation before being suitable for residential land use.

Aerial photography and the site visit revealed a number of silage pits used for the storage of fodder. These are a common occurrence and drought proof the property without the need for storage sheds, silos or purchasing fodder in times of drought.



The property has formed tracks which may contain imported materials especially where they cross depressions or overland flow paths.



Given the age of the original homestead and structures, it would be expected that products containing Asbestos may have been used in these constructions both in sheet form and possible lagging of pipes. Removal of Asbestos is expected to be required to retain the use of these buildings in the future urban area.

A new residence was constructed post 2012 which should not contain any Asbestos.

Other features observed on the aerial photography included:

- Small unidentifiable structures in several paddocks that could be old machinery, stock feeders etc.
- Previous cropping history is also visible using aerial photography.
- Numerous planted windbreaks throughout the property.

Recommendations

A formal search of the Contaminated Land Register must be undertaken to identify any registered contaminated sites. This will be a required action in any contamination assessment.

Further, depending on the contamination found, the services of an accredited site auditor may be required during assessments and remediation processes.

The series of assessments required would include:

- *Phase 1 Assessment – this is the initial assessment undertaken on any site.*
- *Phase 2 Assessment – this picks up from the outcomes of the Phase 1 study and further tests any recommended AECs. At this stage the need for an accredited auditor to be engaged to monitor and audit further work to the satisfaction of the EPU is identified. An SAQP can be done as a Phase 2 assessment. Following this a RAP is prepared to allow for remediation of AECs.*
- *Phase 3 or Remediation Assessment – remediates the AECs to required standards (usually for residential development).*

Estimated Costs

- *Phase 1 Assessment – estimate \$50,000 including GST*
- *Phase 2 Assessment (or SAQP) – estimate \$300,000 including GST assuming site auditor required*
- *Phase 3 Assessment – estimate \$1,000,000 including GST based on possible sheep dip and asbestos finds*

4.6. Possible Aboriginal & European Heritage Constraints

Within Block 456 records indicate (1) Aboriginal artefact scatter (7/9 9H1) of at least 2 stone artefacts located on a forest track. Recorded by Bulbeck & Boot 1990.

Recommendations

A full process of assessments for Aboriginal and European heritage artefacts will need to be undertaken across the site.

The assessments involve firstly a desktop study including Heritage Register checks and walkover for discovery of likely areas of interest (Stage 1). Stage 2 involves on-site test pitting and recovery of artefacts and signoff by the Heritage Council. Time to complete is usually an issue.

Estimated Costs

- *Stage 1 Assessment – estimate \$50,000 including GST*
- *Stage 2 Assessment– estimate \$300,000 including GST*

(Note that 4 RAOs (Registered Aboriginal Organisations) are invited to participate in the studies and managed by the consultant. Over 50% of the above costs go to the RAOs for their participation.)

4.7. Possible Bushfire Impacts

Saturday 18 January 2003 was the day of the significant bushfire that struck the Stromlo and Molonglo Valleys from the west coming out of the Brindabella's at great speed and travelled up the valley into the developed areas of Duffy, Chapman, Holder and Kambah destroying a total of around 500 dwellings. That event has been called a "firestorm" and was accompanied by strong winds.

Ember attack was responsible for a large number of houses lost and was thought to be driven by the presence of mature pine forests to the north west of the impact area immediately adjacent to the developed area. The events of 2003 in the ACT and significant fires in other States around that time saw the revision and strengthening of bushfire risk assessments in the ACT.

Recommendation

A Preliminary bushfire risk assessment be undertaken against the likely scenario for development to guide further planning and design. In the interim a Farmwise Fire Plan be developed and the property managed in accordance with whilst a Rural Property.

Estimated Costs

Estimated cost is \$25,000 including GST.

4.8. Major Infrastructure Concept Plans for Water Supply, Sewer, Storm Water and Electricity

Water Supply

No studies have been undertaken to date.

The Property falls from 640m AHD down to 500m AHD adjacent to the river corridor. There looks to be opportunity to locate a reservoir in block 435 or in the adjacent Stromlo Forest Park at around the 640m contour.

Sewer

No studies have been undertaken to date.

Storm Water

No studies have been undertaken to date.

Careful consideration of Stormwater and WSUD will be needed as the property is up slope of Stony Creek Nature Reserve. All WSUD may be required to be undertaken outside of the nature reserve.

Electricity

No studies have been undertaken to date.

At the present time a 132kV power line runs north-south through the eastern edge of the property (refer **Attachment E**). Due to the location of this alignment, it is unlikely that options to relocate these powerlines will need to be considered. The length of relocation would be 635m and the gain to the developable area would only be 1.5ha. This could provide opportunity to collocate a Zone Substation to service Stromlo within this 1.5ha area.

Lower voltage 11kV lines should be available as normal from the nearest zone substation. Usually within urban areas these lines are underground wherever possible and practical to minimise visual and residential amenity impacts. Low voltage power to each individual house would be by normal underground reticulation as normal in new estates.

Recommendations

Discussion with the various service providers is required during early structure planning to ensure capital works, easements and other access requirements can be finalised with certainty. Timing for substation or any relocation or upgrading of 132kV power lines needs to be carefully considered in the planning stage.

Estimated Costs

The estimated cost for Preliminary services Masterplan is \$250,000 including GST.

4.9. Possible Tree / Ecological Constraints

From aerial photography tree coverage is scattered throughout the Winslade lease, with higher densities to the southern and eastern part of the lease (block 456) thinning out towards the north.

There appears to be a majority of native species of trees. Around the original homestead there appears to be a combination of deciduous and other evergreen trees but these are hard to identify from the aerial.



Further, there are a number of windbreak plantings throughout the property generally in a north-south orientation.

Block 435 which is part of this lease appears to be heavily timbered similar if not denser than the adjacent Stromlo Forest Park.

It appears from the aerial photography that between 2012 and 2015 there has been a significant amount of weed spraying adjacent to the river corridor. This is more than likely blackberry which has a history to spread out of the Murrumbidgee River Corridor.

Core ecological connections could also be incorporated between Stony Creek Nature Reserve and Stromlo Forest Park into the future development of this area strengthening the connectivity corridor for wildlife movement linking Namadji National Park to Kama and the Pinnacle Nature Reserves.

Recommendation

A tree survey and assessment will be required closer to land development and should cover all Blocks in the property. This will provide an up to date aboricultural assessment of regulated and other trees.

Estimated Cost

A tree survey and assessment is estimated to cost \$70,000 including GST.

4.10. Arterial Road Options and Land Uses

No studies have been undertaken to date.

Recommendation

The LDA work closely with EDD to ensure the best possible fit for any arterial roads, adjacent land uses and playing fields given the constraints and impacts on residential development and housing affordability.

Support the need for a fine grained geotechnical study across Stromlo to better understand the underlying geology and its engineering and development constraints.

Estimated Cost

A preliminary Geotechnical Investigation is estimated to cost \$100,000 including GST.

4.11. Topographic Survey

Recently the ACT Government has commissioned a LiDAR Project for the whole of the ACT. This property has been captured at 4points per metre. This will be adequate for all master planning work and preliminary due diligence investigations.

A full topographic land survey needs to be undertaken across property. This is required for the preparation later of EDPs and subsequent detail design. It also locates all above ground structures including the location of all trees to allow the tree survey and assessment to be undertaken.

Recommendation

A full topographic land survey should be undertaken of the property closer to land development. This may include alternate technology including drone aerial surveys to possibly reduce cost with a similar relative accuracy.

Estimated Costs

The estimated cost for a topographic land survey is \$300,000 including GST.

4.12. Environmental Clearances

Checking the known ecological constraints on ACTMAPi it appears that there is a location in the north of block 456 that may contain the threatened plant Pale Pomaderris. There also appears to be a small amount of ACT listed BGWL within Block 456 adjacent to the river corridor. The land within Stromlo Forest Park adjacent to block 435 is mapped EPBC listed BGWL, there is a possibility that the woodland within 435 is a continuation of that community and currently unmapped.

The remainder of block 456 looks significantly pasture improved and unlikely to meet the listing requirements for BGWL.

Recommendation

A preliminary vegetation assessment should be undertaken to establish a baseline as soon as practical.

Estimated Cost

A preliminary vegetation assessment is estimated to cost \$25,000 including GST.



4.13. National Capital Plan

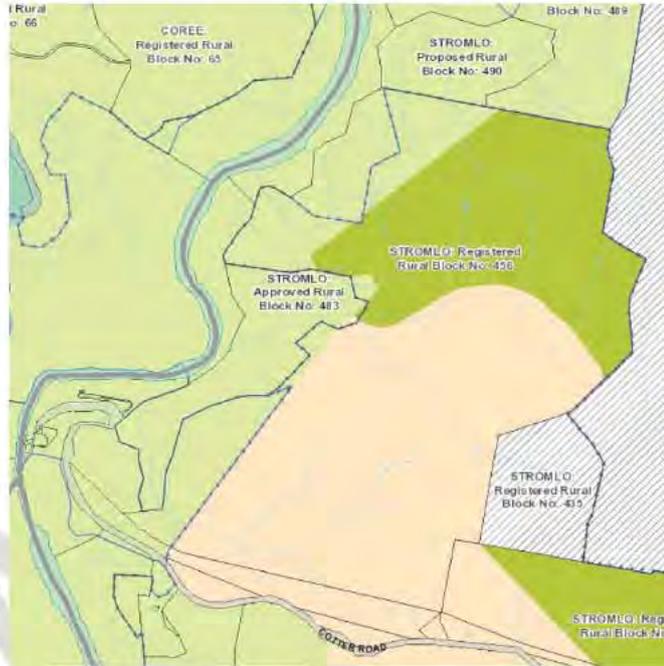
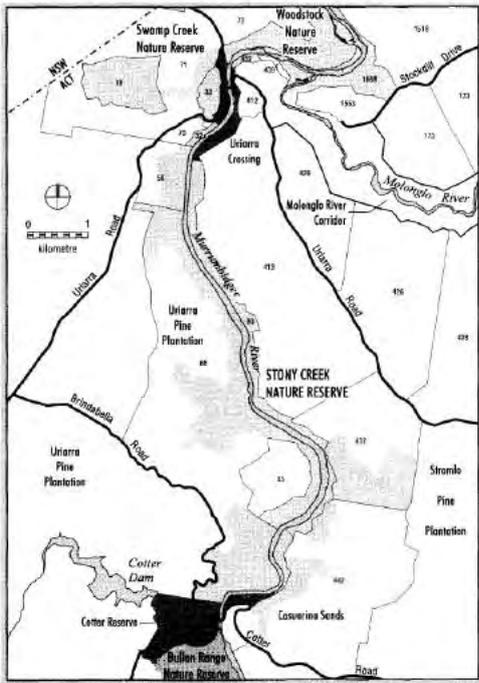
Block 435 on the eastern side of the property is part of the Designated Area (the Inner Hills) of the National Capital Plan and particular design and siting conditions apply to

ensure the maintenance and enhancement of the character of the national capital is maintained.

Therefore the available area for possible development of Block 435 as part of future development is unknown and has not been included in the developable area calculations.

4.14. Territory Plan

The Territory Plan zones the majority of the blocks within Winslade as Non-Urban Rural with the north of the property as Non-Urban Hills, Ridges and Buffer. The Western part of the property is zoned Non-Urban River Corridor with a proportion of this lease inside the Stony Creek Nature Reserve.



Specific management objectives for the Stony Creek Nature Reserve are:

- to provide continuity of management for river bank communities between Uriarra Crossing and Casuarina Sands;
- to maintain a corridor for the movement of native fauna, and for recreational access between the Uriarra and Stromlo areas; and
- to improve access for management activities.

LDA could undertake the necessary planning investigation, prepare a master plan for the whole of Stromlo and prepare an EDP for the initial release area. Based on the timelines of past and current projects, this process could commence when required.

| Proposed Process | Estimated Completion Date |
|--|---------------------------|
| Planning investigations | 6 Months |
| Prepare Urban Development Framework | 6 Months |
| Prepare Structure Plan and Environmental Approvals | 2 years |

| | |
|--------------------|-----------|
| Prepare Masterplan | 12 Months |
| Prepare EDP | 12 Months |

Recommendation

It is recommended that LDA undertake a planning report for all of Stromlo that may lead to a Structure plan for the Stromlo Valley. At some stage in the future a variation to the Territory Plan should be undertaken to reflect the intent of future land releases and capital infrastructure works.

Estimated Costs

A planning report for Stromlo is estimated to cost \$100,000 including GST.

An Urban Development Framework that may inform the Structure Plan of Stromlo is estimated to cost \$250,000 including GST.

4.15. Likely Development Scenario / Potential Land Return

As discussed in the document 98% of the land in Winslade is less than 20% slope which is optimal for urban development (Attachment D). The land is severely modified from past agricultural use so is unlikely to have significant environmental value. Core connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into the future development.

Term: 99 Years

Ownership: ACT Government, LDA custodianship

Size: 486ha

Developable Area: 291ha (60%)

Dwellings: [REDACTED]

Raw Rural Land Value: \$6.5-7.5M

Raw Residential Land Value: [REDACTED]

Gross Realisation: [REDACTED]

*Assumptions:

- Low density dwellings at approx [REDACTED]
- Land sales at an average of [REDACTED] per medium sized block.
- Raw residential land value calculated at [REDACTED] per dwelling.
- Development coverage applied at approx 60% of total area.

By acquiring this block now, the Territory is able to capture the uplift in land value before rezoning from rural to residential, as well as unlocking greater development opportunities with the surrounding blocks.

Winslade is perfectly situated between Huntly and Fairvale closing Gap between the two properties.

Attachment 4 – Demand and Supply Assumptions

Drivers of Demand

Recently, the Territory population growth rate has eased to an average rate of 1.2%. This easing is considered a temporary lull and growth will return in line with current projections, which assume an average rate of 1.5% for the next 10 years, before progressively easing to 1.1% by 2041.

A mid-range growth estimate of 1.5% is adopted for future land supply and land release planning purposes to buffer unanticipated upswings in demand. It is easier to delay the release of sites to the market than accelerate land development to meet a sudden increase in demand, which may result from changes in broader economic conditions and stimulate demand beyond what could typically be expected based only on population growth. According to Economic Development's Housing Demand Model, a population growth rate of 1.5% will generate an annual demand for 2,800 dwelling sites while a 1.2% growth rate generates annual demand for approximately 2,000 dwelling sites.

The *ACT Planning Strategy (2012)* indicates a strategy of delivering 50% or more of new housing delivered through urban intensification. Assuming a population growth rate of 1.5% this equating currently to an annual demand of 1,400 greenfield dwelling sites.

The 4-year average over the current indicative land release program indicates an average annual release of 1,691 greenfield dwelling sites which constitutes 40% of dwelling sites delivered through greenfield estates. (Table1)

Table 1 Proportion of greenfield dwelling releases

| Year | Greenfield Dwelling Sites Released | % of Dwelling sites Released |
|---------|------------------------------------|------------------------------|
| 2013-14 | 930 | 39% |
| 2014-15 | 1500 | 40% |
| 2015-16 | 1650 | 46% |
| 2016-17 | 1900 | 51% |
| 2017-18 | 1100 | 24% |
| 2018-19 | 2114 | 39% |

| | | |
|----------------|------|-----|
| 4 year average | 1691 | 40% |
|----------------|------|-----|

The proportion of greenfield dwelling sites proposed for release in 2017-18 is particularly low due to the significant contribution to overall number of (infill) dwelling sites from the disposal of government property assets as part of the Australian Government's asset Recycling Initiative. The indicative ARI disposal program could subject to change.

Available Supply

Housing supply in the immediate ACT-NSW region has also increased with demand in Queanbeyan being met with releases in Googong and Tralee.

Googong is a 20-25 year project yielding 5,550 dwellings with an annual release target of 270 dwellings. Initial land releases commenced in February 2012, construction commenced August 2013, and occupations February 2014.

Tralee is a 6-year project yielding 1,221 dwellings over 4 stages. Initial releases commenced in January 2014 with construction commencing November 2016-17. Strategically the, 25-year Sydney to Canberra Regional Strategy aims to provide up to 25,200 new homes for 46, 350 additional people expected to living in the region by 2031, including a minimum of 2,500 dwellings in Goulburn Mulwaree.

Ginninderra is a new urban area and residential estate proposed for the 701-hectare CSIRO land between Belconnen and Gungahlin. Preliminary plans indicate a 25-year project yielding at least 7,500 dwelling sites (6,500 blocks), with a proposed annual release of 300 dwellings. The land is highly developable and relatively unconstrained but will be subject to Commonwealth and Territory planning and approval processes. Optimistically, initial land releases could commence in 2018-19 and dwelling occupations from 2020.

Table 2 details available greenfield dwelling sites in the ACT (including NSW component of West Belconnen), planned but yet to be released to the market. Potential for dwelling sites in Gungahlin Town Centre are not included, and could contribute at least 1,000 dwellings to overall supply.

Table 2 Dwelling sites in greenfield estates (planned and not yet released)

| Estate | Total Dwelling Sites |
|--|----------------------|
| West Belconnen Total | 11,500 |
| ACT | 6,500 |
| NSW | 5,000 |
| Gungahlin Total* | 6,600 |
| Moncrieff | 870 |
| Taylor | 2,500 |
| Throsby | 1,080 |
| Jacka | 1,153 |
| Kenny | 1,000 |
| Molonglo Total | 15,800 |
| Denman Prospect | 1,800 |
| Molonglo | 2,000 |
| Molonglo 3 | 12,000 |
| Total LDA Greenfield Dwelling Sites | <u>33,903</u> |
| <i>Ginninderra</i> | <i>7,500</i> |
| Total Greenfield Dwelling Sites | 41,403 |

*does not include dwellings in Gungahlin Town Centre.

Assuming 33,900 planned greenfield dwelling sites remaining for urban development in LDA estates, and 50% of annual dwelling releases are in greenfield areas, Table 3 sets out the estimated years remaining for the current greenfield land supply. In summary,

- a medium growth scenario: equates to 24 years supply (2039), with an annual target of 1,400 greenfield dwelling sites from a population growth of 1.5%.

Table 3 Greenfield land supply – Years remaining

| Dwelling Sites in Greenfield Estates | | | | | |
|--------------------------------------|------------------------|-----------------------|----------------------------|-----------------|--------|
| | | as at | 2015 | | 33,903 |
| Scenario | Population Growth Rate | Total Dwelling Demand | Greenfield Dwelling Demand | Years Remaining | Year |
| Low growth | 1.2% | 2,200 | 1,100 | 30.8 | 2046 |
| Medium growth | 1.5% | 2,800 | 1,400 | 24.2 | 2039 |
| High Growth | 1.8% | 3,100 | 1,550 | 21.9 | 2037 |

| Dwelling Sites in LDA Greenfield Estates | | | | | |
|--|------------------------|-----------------------|----------------------------|-----------------|--------|
| | | | | | 28,903 |
| Scenario | Population Growth Rate | Total Dwelling Demand | Greenfield Dwelling Demand | Years Remaining | Year |
| Low growth | 1.2% | 2,200 | 1,100 | 26.3 | 2041 |
| Medium growth | 1.5% | 2,800 | 1,400 | 20.6 | 2036 |
| High Growth | 1.8% | 3,100 | 1,550 | 18.6 | 2033.6 |

Gungahlin, Molonglo & West Belconnen(ACT)

| Dwelling Sites Greenfield Estates, Including Ginninderra | | | | | |
|--|------------------------|-----------------------|----------------------------|-----------------|--------|
| | | | | | 41,403 |
| Scenario | Population Growth Rate | Total Dwelling Demand | Greenfield Dwelling Demand | Years Remaining | Year |
| Low growth | 1.2% | 2,200 | 1,100 | 37.6 | 2052.6 |
| Medium growth | 1.5% | 2,800 | 1,400 | 29.6 | 2044.6 |
| High Growth | 1.8% | 3,100 | 1,550 | 26.7 | 2041.7 |

Implications for long term land supply options

According to Economic Development's 30-year dwelling occupations forecast (by dwelling type and suburb), Gungahlin is expected to be predominantly completed by 2028 and Riverview (ACT) will be 50% released.

Molonglo 3 (north of Molonglo River) would be the only remaining greenfield area supplying detached dwelling sites, unless Ginninderra proceeds with initial releases commencing 2018-19. Molonglo 3 may have 2,000 detached house sites remaining and Ginninderra an additional 3,500 detached house sites remaining. Supply from Riverview (NSW) may not have come online by this stage, offering a further 3,500 to 4,500 detached house sites.

Housing choice would be limited with Riverview supplying more affordable housing on the urban edge, while the later stages of Molonglo supplying a premium product given its 6km proximity to the City. Ginninderra's accessibility, via Barton Highway to the Northbourne corridor, may also deliver a premium product to the market.

The risks associated with too few development fronts in relation to housing type, price and location have direct implications for housing choice and affordability.

Demand in the ACT has eased, attributed in part with the increase in housing supply in the immediate ACT-NSW region and Googong and Tralee are offering a more affordable product.

Sustained cross-border development is likely to have a corresponding impact on land sales revenue and timing of developers delivering a completed housing product to the ACT market.

Despite the focus on urban renewal, active development along the Northbourne Avenue corridor and the City, or an increase to the strategic planning target of 60% of all new dwellings delivered as urban infill (40% greenfield areas), there is an ongoing need to maintain supply of detached housing in greenfield areas.

DRAFT

Attachment 5 - Estimated Financial Outcome

Current \$ escalated.

| | Commence 2035 | | Commence 2040 | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Lower \$'000 | Higher \$'000 | Lower \$'000 | Higher \$'000 |
| Dwellings | [REDACTED] | | | |
| Period | 2035-2044 | 2035-2044 | 2040-2049 | 2040-2049 |
| Revenue | | | | |
| Sales | [REDACTED] | | | |
| Total Revenue | | | | |
| Expenditure | | | | |
| Land Purchase | 7,500 | 7,500 | 7,500 | 7,500 |
| Land Ready Costs | [REDACTED] | | | |
| Capital Works | [REDACTED] | | | |
| Civil/Estate Works | [REDACTED] | | | |
| Total Expenditure | | | | |
| Cumulative Cash Flow (surplus) | [REDACTED] | | | |

NOTES

1. Revenue and costs escalated at 2.5 %.
2. NPV calculated on annual cash flow.
3. Sale rate of 400 dwelling per annum.
4. Summary provided on two commencement dates 2035 and 2040 with an assumed 10 years sales program.
5. Revenue – low = [REDACTED] per block and high = [REDACTED] per block (pre escalation)
6. Civil Estate Works - [REDACTED]
7. Capital works – [REDACTED]

**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE

To: Treasurer

Tracking No.: CTEDD2017/1183

From: Director, Development and Infrastructure Policy Branch

Subject: Land Development Agency (LDA) strategic acquisition - Winslade

Critical Date: 13 April 2017

Critical Reason: To provide a response in a timely manner

- Under Treasurer .../.../...
- Executive Director .../.../...

Purpose

To seek your consideration of the purchase of a rural estate known as Winslade for \$7.5 million by the LDA.

Recommendations

That you:

1. agree to endorse the proposed purchase of Winslade by the LDA for \$7.5 million; and

Agreed / Not Agreed / Please Discuss

2. note that Treasury will advise the LDA of your decision.

Noted / Please Discuss

Andrew Barr MLA

..... 1 / 5 / 17

Minister's Office Feedback

SENSITIVE

Background

1. The LDA Board is required to seek your approval for land purchases above \$5 million.
2. The Chief Executive Officer of the LDA provided Treasury with a Business Case (Attachment A) seeking endorsement for the acquisition of a rural property known as Winslade.

Issues

1. Points relating to the proposed sale of Winslade are below:
 - a. Price – Following negotiations, the current land owner has indicated that he will accept \$7.5 million (independent valuation commissioned by the LDA provided an indicative value of \$6.5 to \$7.5 million).
 - b. Size – 486 hectares spread over blocks 435, 439, 440, 441, 456 and 476 Stromlo (assumed 60 per cent of land is developable).
 - c. Timing – 18 to 23 years before appearing on the land release program.
 - d. Tenure of current owner – The signed brief notes that a 99 year lease commenced in 2002 and will expire in 2101.
 - e. Profit – Estimated at [REDACTED] escalated (total revenues of [REDACTED] and capital works costs of [REDACTED]).
2. If purchased now, the LDA will be able to capture the uplift in land value before rezoning from rural to residential estimated at [REDACTED] (Englobo Value less capital works). In addition, purchasing Winslade will unlock greater development opportunities with the surrounding blocks.
3. The purpose of purchasing the property is to provide security for future Greenfield land, unlocking the potential of adjacent properties already owned by the LDA and respond to future growth requirements.
4. LDA has prepared a strategy for Stromlo District land acquisition (Attachment B) which sets out a Stromlo District master plan and provides a strategic context and rationale for purchasing Winslade.
5. The strategy paper states that:
 - a. Purchasing Winslade and other land acquisitions in the Stromlo District area would secure land prior to Greenfield land supply exhaustion.
 - b. Purchasing Winslade and other land acquisitions in the Stromlo District area would reduce the risks associated with a reduction in development fronts in the ACT. These risks relate to housing affordability, housing choice and reduced land sales revenues resulting from corresponding cross-border land developments.
 - c. The purchase of Winslade and the possible future acquisition of [REDACTED] add to the opportunity to maximise block and dwelling yields from the Stromlo District.

- d. Winslade is centrally located, and is considered a core asset in the Stromlo Master Plan. Its purchase would allow for economies of scale to be taken advantage of and would enable road and major infrastructure links to be developed between the adjacent "Hunter" and "Cotter Road" development areas. Additionally, the Winslade purchase would allow connectivity to existing major infrastructure, education community and medical facilities.
- 6. The LDA purchased Wintergarden Estate for \$4 million in August 2016. If purchased, Winslade's purchase would bring the total value of LDA land acquisitions in the 2016-17 financial year to \$11.5 million.

Financial Implications

- 7. The purchase of Winslade will cost \$7.5 million

Consultation

- 8. The LDA has been consulted in preparing this brief.

Benefits/Sensitivities

- 9. The normal risks apply to Winslade land development that would exist in any land development. That is, relating to infrastructure requirements, environmental approvals, planning approvals and market forces.

Signatory Name: Floyd Kennedy Phone: 6207 0176
Action Officer: Graham Chadwick Phone: 6205 4614

Attachments

| Attachment | Title |
|--------------|---|
| Attachment A | Acquisition of rural property known as Winslade Business Case |
| Attachment B | LDA Strategy for Stromlo District Land Acquisitions |



SUBJECT: Draft Business Case for Potential Purchase of Winslade

To: Chief Executive Officer, Land Development Agency

- Deputy Chief Executive Officer, Land Development Agency
- Chief Financial Officer, Land Development Agency
- Executive Director, Greenfield

Date: 24 October 2016

Purpose

To seek your agreement to release the draft Business Case (Attachment A) for the potential purchase of Winslade to Treasury for their consideration prior to seeking formal agreement from the incoming Government to purchase the site.

Background

Winslade comprises of six rural blocks with a total area of approximately 486 hectares held under a 99 year rural lease by [REDACTED]. The lease runs until 2101.

The area is in the Stromlo district, approximately 3km west of Duffy/Wright, and is in the middle of the Western Edge Study area under the ACT Planning Strategy. Winslade also correlates well to other land purchases in the same area by the [Land Development Agency \(LDA\)](#). Huntly, Lands End in Central Precinct of Molonglo and Block 19 Stromlo to the west of Weston Creek also fall in the Western Edge Study area.

The LDA was approached by [REDACTED] offering the property for sale. The attached Business Case provides an analysis of the potential benefits and risks to the LDA in progressing with the purchase.

~~It is considered prudent to present the draft Business Case to Treasury for their comment during the caretaker period. The Business Case can then be finalised for presentation to the LDA Board and the incoming Government, dependent on relevant approval processes.~~

~~The draft Business Case has been prepared by the Greenfield Branch and approved by the Chief Financial Officer.~~

Board Consideration

The Board considered the potential purchase at its meeting of 6 June 2016. At that meeting, the Board:

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2. Agreed that, subject to the GSO advice, the LDA commence negotiations with the landholder for the possible acquisition of 'Winslade' in the District of Stromlo with an upper limit of \$7.5 million (excluding GST) consistent with the independent valuation.

Action:

The Executive Director Greenfield has met with the owner of the Winslade Property [redacted]. At the meeting:

- [redacted] indicated that he was satisfied with the detail covered in the valuation assessment provided by Knight Frank however his expectation of the value would be above \$8 million.
- The LDA responded that a sale at this price would not be acceptable.
- [redacted]
- it was stressed that for a sale to proceed at this value the LDA will require agreement not only from the LDA Board but the Minister and Treasury.

3. Directed the LDA to undertake a detailed assessment of 'Winslade' under the Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1).

Action:

An assessment under the Framework is at section 1.2 of the attached Business Case.

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Consultation

It is considered prudent to present the draft Business Case to Treasury for their comment during the caretaker period. The Business Case can then be finalised for presentation to the LDA Board and the incoming Government dependant on relevant approval processes.

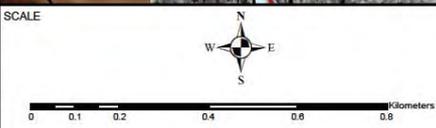
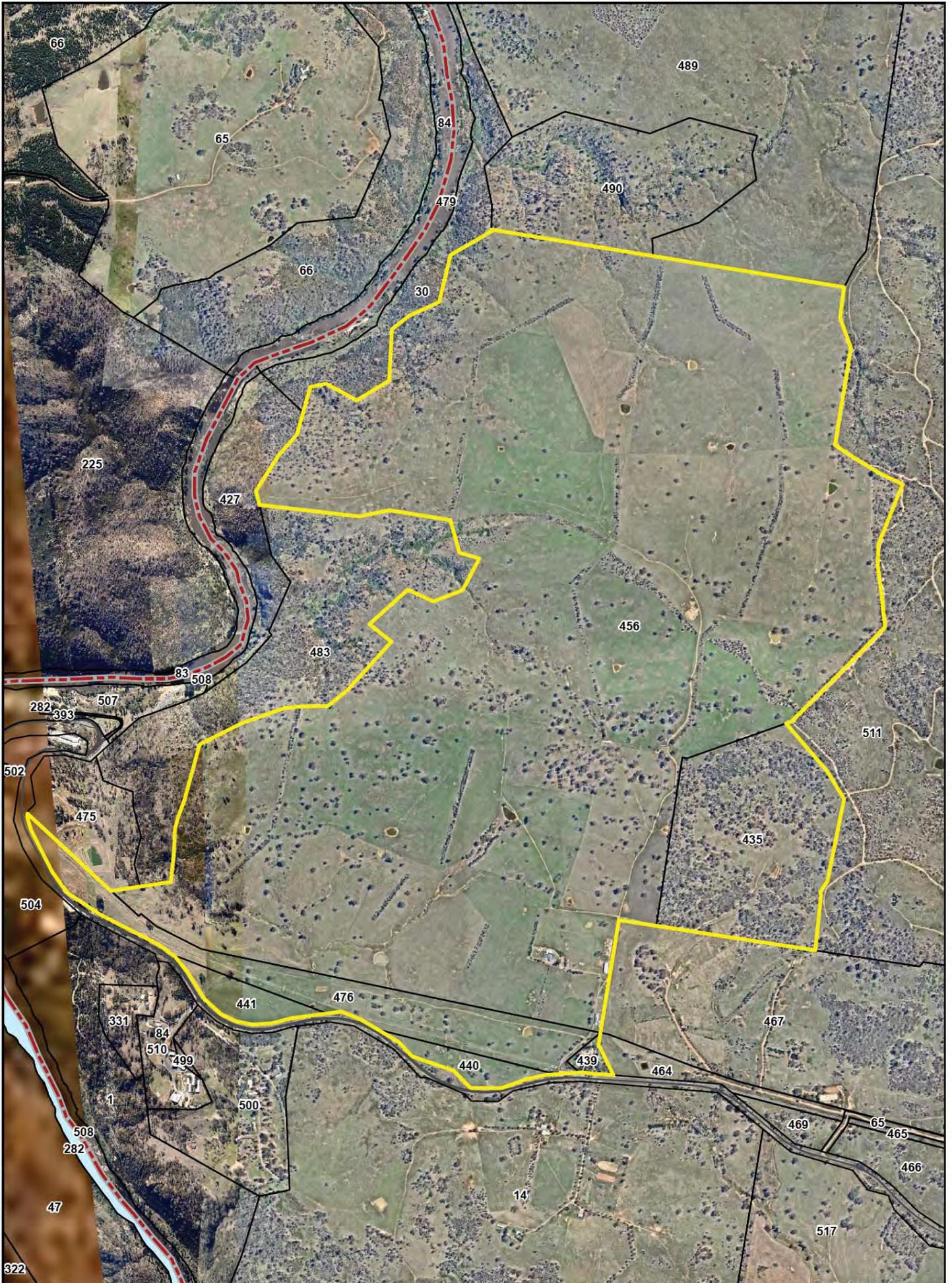
The draft Business Case has been prepared by the Greenfield Branch and approved by the Chief Financial Officer.

Recommendation

That you agree to release the draft Winslade Business Case to Treasury for consideration prior to seeking agreement from the incoming government.

Action Officer: Chris Webb
Branch: Greenfield
Extension: x76824

*David Dawes / /
AGREED/NOT AGREED/PLEASE DISCUSS*



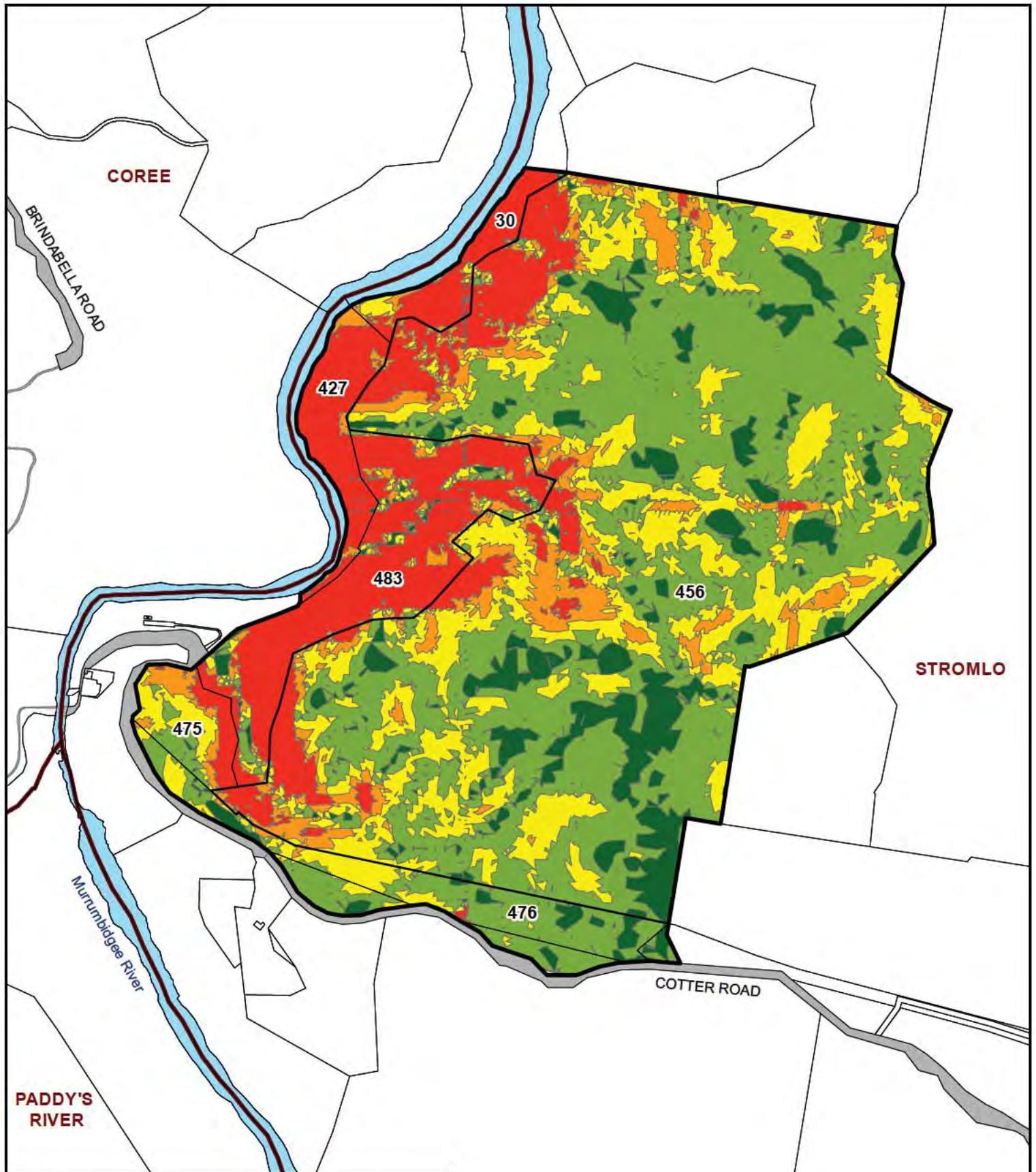
DIRECTORATE/DEPARTMENT



PROJECT

WINSLADE Site Location Plan

PROJECT NUMBER: P01281



Legend

- Slope (percent)**
- 0-5%
- 5-10%
- 10-15%
- 15-20%
- >20%
- District
- Study area
- Block
- Road
- Water

| Slope | Area (ha) |
|--------|-----------|
| 0-5% | 45.6 |
| 5-10% | 198.0 |
| 10-15% | 104.1 |
| 15-20% | 36.4 |
| >20% | 33.3 |

*Winslade (Block 456) only



DIRECTORATE/DEPARTMENT

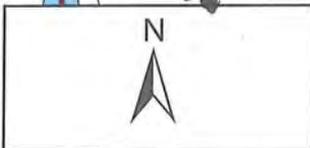
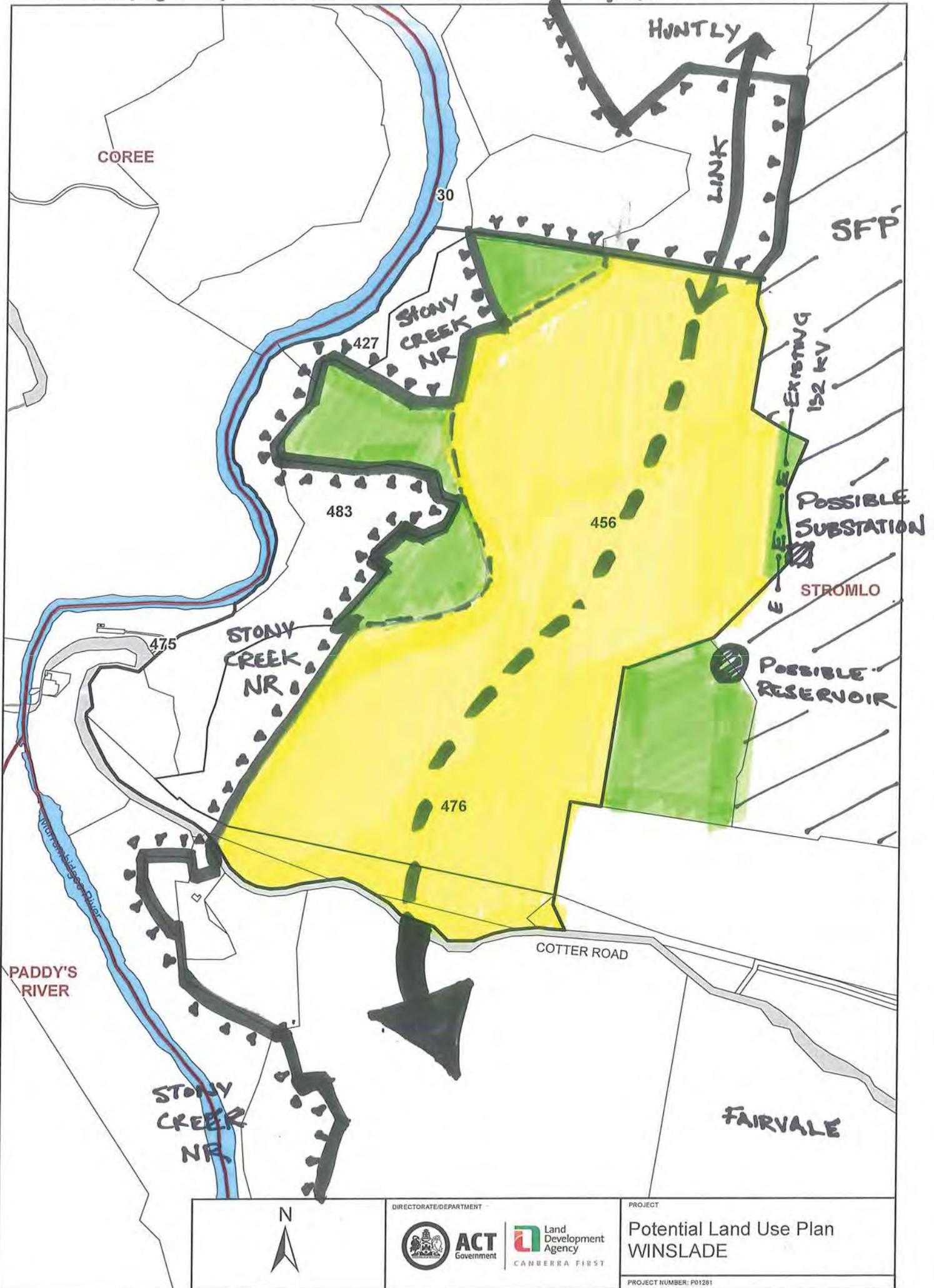


PROJECT

**SURFACE SLOPE ANALYSIS
WINSLADE (BLOCK 456)**

PROJECT NUMBER P01281

ATTACHMENT D - POTENTIAL LAND USE PLAN



DIRECTORATE/DEPARTMENT



ACT
Government

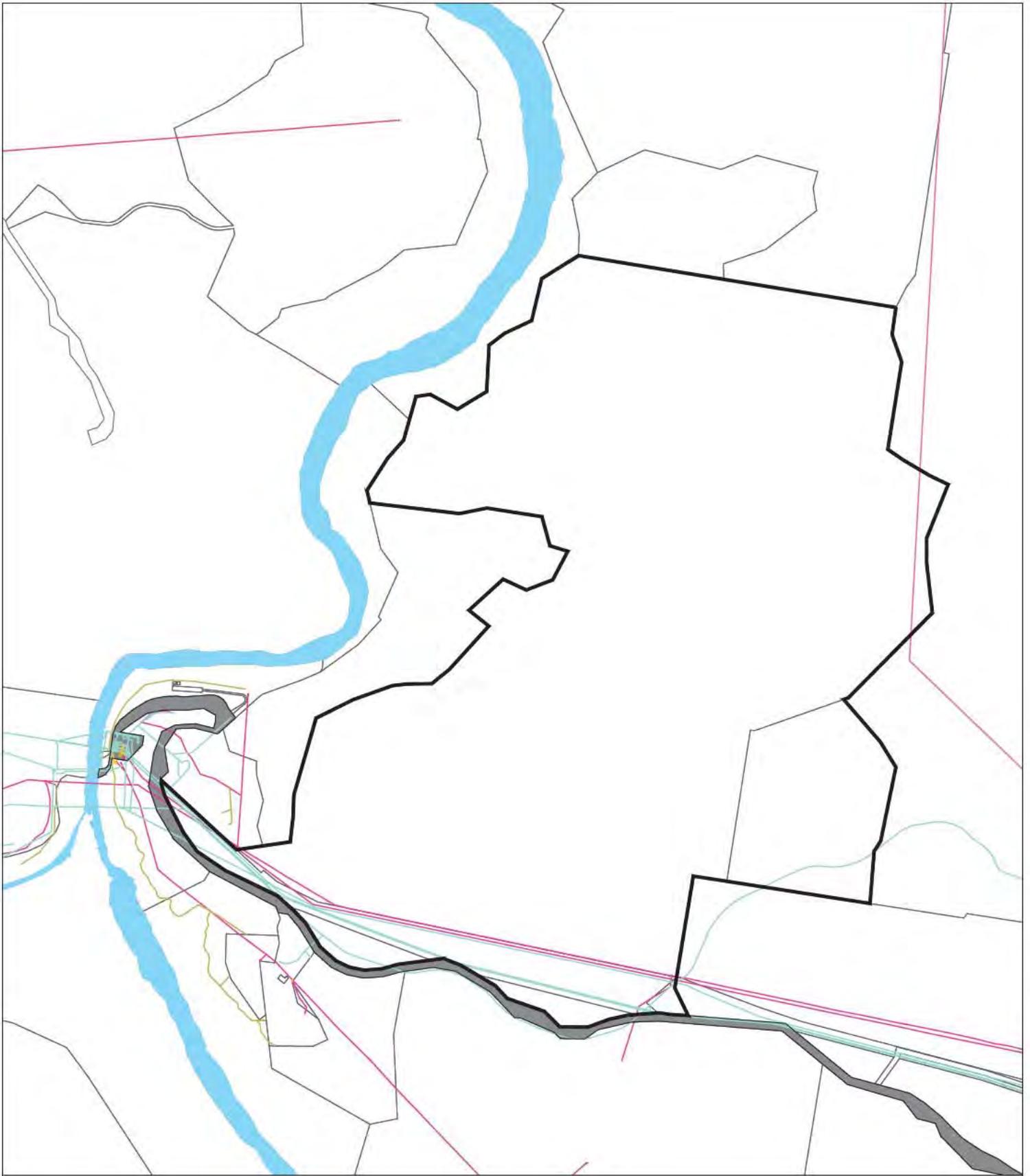


Land Development Agency
CANNBERRA FIRST

PROJECT

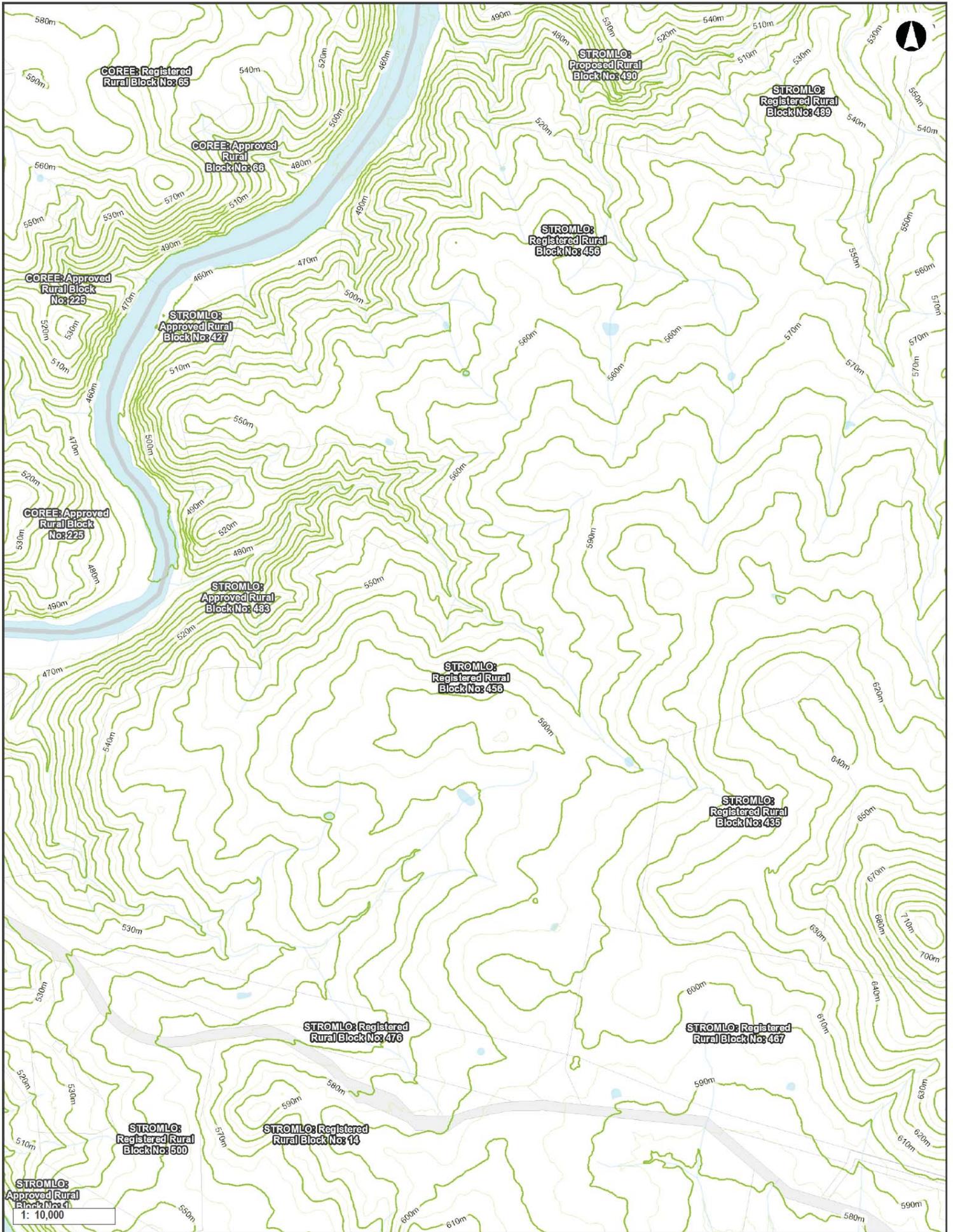
Potential Land Use Plan
WINSLADE

PROJECT NUMBER: P01281



- Overhead HV/LV Powerlines
- Overhead Transmission Line
- Underground LV Electrical Line
- Sewer Mains
- Effluent Mains
- Bulk Water Mains

| | | | | | | | | | | | |
|----------------|-------------|----------------|----------|--|------------------------|----------------|---------|---|---------------|-----|--|
| AMENDMENT | | | | SCALE/NORTH POINT 1:1 000@A3 1:7000@A1 | DIRECTORATE/DEPARTMENT | | PROJECT | | DRAWING TITLE | | |
| No. | DESCRIPTION | Approved by | Drawn by | | Date | Winslade | | Winslade Existing Infrastructure Services Plan | | | |
| PROJECT NUMBER | | DRAWING NUMBER | | AMENDMENT | | AutoCAD Saved: | | Plotted: | | By: | |



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**DECISION ITEM:
WINSLADE ACQUISITION OF LAND****Purpose**

To inform the Board on the potential acquisition of land identified as Blocks 435, 439, 440, 441, 456 and 476 (Winslade) in the District of Stromlo.

Background

Winslade consists of the one ACT rural leasehold property outlined in yellow in Attachment 1. The title description is Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896. The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha consistent with the Stoney Creek Nature Reserve boundary.

This acquisition proposal is the subject of an approach by the current owner [REDACTED] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntly and to the west by the Murrumbidgee River. Winslade is only 3 kilometres from the western edge of Denman Prospect in Molonglo Stage 2.

A detailed assessment of the developable area has not been undertaken but will be undertaken should the Board support pursuing the acquisition proposal. However, subject to further investigations, it could be expected that a third of the property, after any withdrawals occur, would be required for parks, open space and other urban associated uses and may result in about 290ha being available for dwellings. This may yield about [REDACTED] dwellings with proceeds from land sales in the order of [REDACTED].

The potential purchase of Winslade can be considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts in the Stromlo District. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Issues***Land Acquisition Policy Framework***

In June of 2014 the LDA was provided direction for the purpose of strategic acquisitions to act in accordance with the principles of the Land Development Agency – Land Acquisition Policy Framework when exercising the Agency's functions under the *Planning and Development Act 1997*. The proposed acquisition would be in accordance with the principles of the framework. Specifically, the value of the property would fall within clause 2.2.1 b. between \$5m and \$20m which requires agreement by the Chief Minister and Treasurer. LDA is to provide a business case to ACT Treasury for all such proposals.

Crown Lessee

The Crown Lessee is identified as [REDACTED].

[REDACTED] has a 99 year lease on the properties that commenced on 27 September 2002 and has approximately 85 years to run.

Application and Valuation

After the initial approach to the LDA by [REDACTED] for purchase of the land, the LDA has commissioned a land valuation to assist in negotiating a fair market value. The valuer (Knight Frank) has provided a draft report and determined a price of between \$6.5m and \$7.5m excluding GST. This valuation is based on the current lease purpose clause as rural land.

[REDACTED] will be provided with a copy the independent valuation report to gauge his interest to sell and willingness to negotiate a price consistent with the valuation.

It is expected that any development will include land for urban land development, open space, infrastructure corridors and road, and possibly small areas of future EPBC offset potential.

The property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Price Analysis

The property valuation received as part of the assessment of Winslade analysed sales evidence from recent sales of comparable properties within the ACT and on freehold land in adjoining NSW.

The draft valuation received used a value of approximately [REDACTED] excluding buildings (**Attachment 2**). This value in both cases did not include any consideration for potential higher order uses or redevelopment of the land.

Strategic Value

The majority of the land (92%) within Winslade is less than 20% slope which is optimal for urban development (**Attachment 3**). The land is modified from past agricultural use so is unlikely to have significant environmental value. Core ecological connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.

Winslade is strategically located between the LDA's properties of Huntly to the north and Fairvale to the south. Acquiring this property would provide opportunity for infrastructure connections between these two areas. In addition it has the potential to provide additional access to Huntly which may be a significant consideration for emergency services in any future urban development.

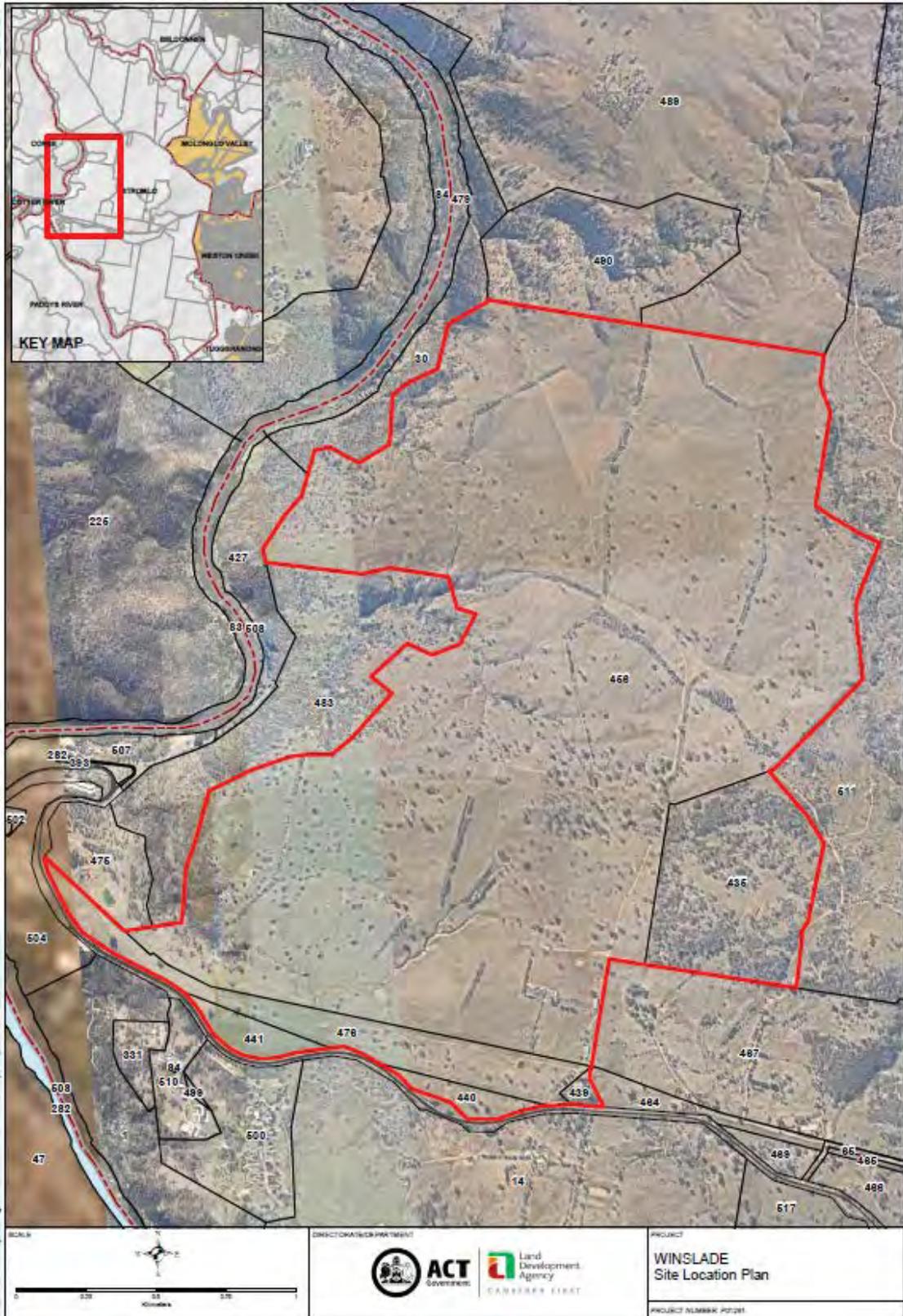
Recommendation

That the Board agree to:

1. Proceeding with negotiations with [REDACTED] for the possible acquisition of Winslade in the District of Stromlo,
2. The purchase price be negotiated with [REDACTED] with the upper limit of \$7.5m excluding GST.

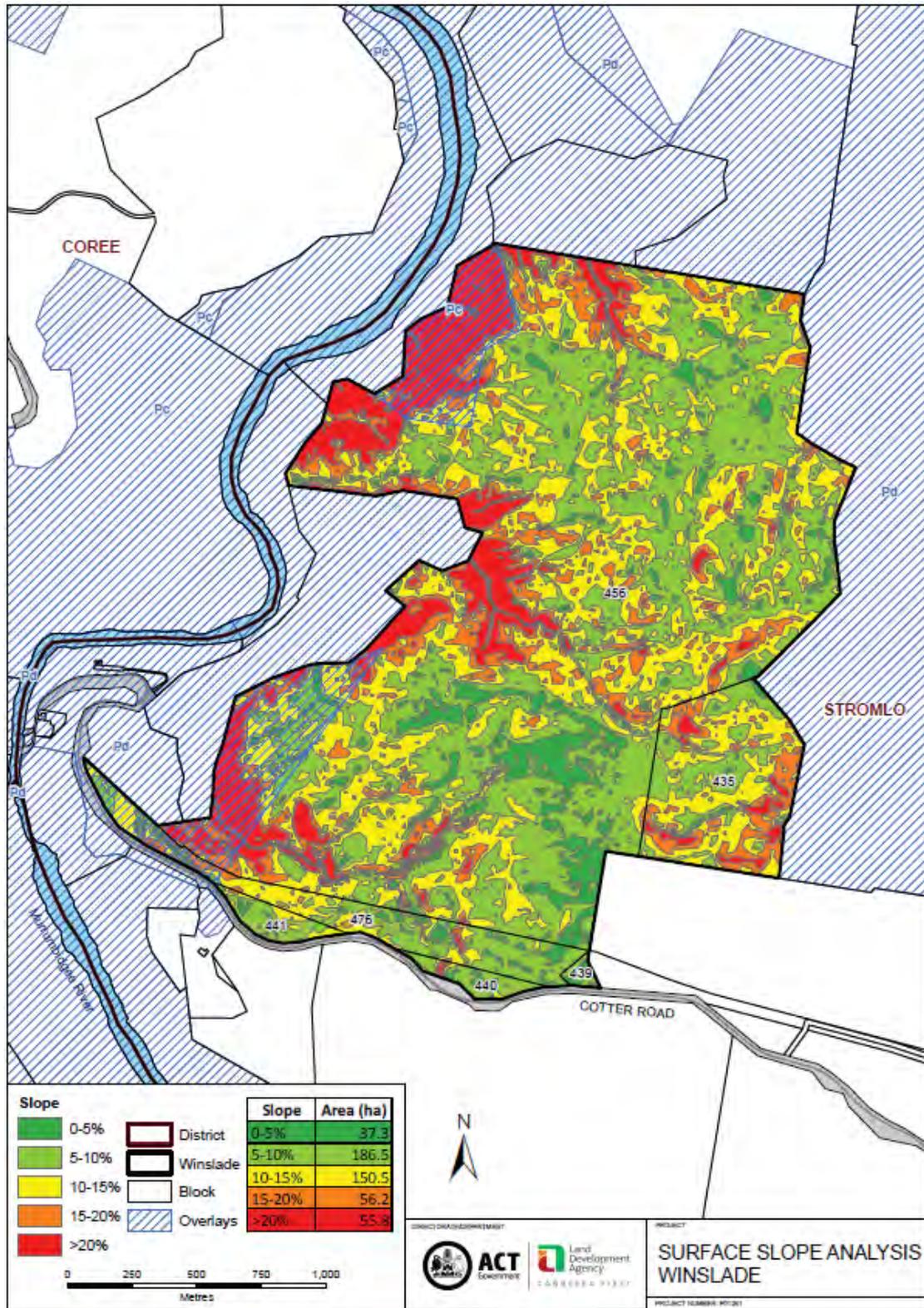
Tom Gordon, Executive Director, Greenfield
20 May 2016

Attachment 1 – Proposed Land Acquisition



Attachment 2. – Draft Valuation

Attachment 3 – Slope Analysis Plan



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**DECISION ITEM:
WINSLADE ACQUISITION OF LAND****Purpose**

To inform the Board on the potential acquisition of land identified as Blocks 435, 439, 440, 441, 456 and 476 (Winslade) in the District of Stromlo.

Background

Winslade consists of the one ACT rural leasehold property outlined in red in **Attachment 1**. The title description is Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896. The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha consistent with the Stoney Creek Nature Reserve boundary.

This acquisition proposal is the subject of an approach by the current owner [REDACTED] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntly and to the west by the Murrumbidgee River. Winslade is only 3 kilometres from the western edge of Denman Prospect in Molonglo Stage 2.

A detailed assessment of the developable area has not been undertaken but will be undertaken should the Board support pursuing the acquisition proposal. However, subject to further investigations, it could be expected that a third of the property, after any withdrawals occur, would be required for parks, open space and other urban associated uses and may result in about 290ha being available for dwellings. This may yield about [REDACTED] dwellings with proceeds from land sales in the order of [REDACTED].

The potential purchase of Winslade can be considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts in the Stromlo District. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Issues***Land Acquisition Policy Framework***

In June of 2014 the LDA was provided direction for the purpose of strategic acquisitions to act in accordance with the principles of the Land Development Agency – Land Acquisition Policy Framework when exercising the Agency's functions under the *Planning and Development Act 1997*. The proposed acquisition would be in accordance with the principles of the framework. Specifically, the value of the property would fall within clause 2.2.1 b. between \$5m and \$20m which requires agreement by the Chief Minister and Treasurer. LDA is to provide a business case to ACT Treasury for all such proposals.

Crown Lessee

The Crown Lessee is identified as Mr Blake.

[REDACTED] has a 99 year lease on the properties that commenced on 27 September 2002 and has approximately 85 years to run.

Application and Valuation

After the initial approach to the LDA by [REDACTED] for purchase of the land, the LDA has commissioned a land valuation to assist in negotiating a fair market value. The valuer (Knight Frank) has provided a draft report and determined a price of between \$6.5m and \$7.5m excluding GST. This valuation is based on the current lease purpose clause as rural land.

[REDACTED] will be provided with a copy the independent valuation report to gauge his interest to sell and willingness to negotiate a price consistent with the valuation.

It is expected that any development will include land for urban land development, open space, infrastructure corridors and road, and possibly small areas of future EPBC offset potential.

The property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Price Analysis

The property valuation received as part of the assessment of Winslade analysed sales evidence from recent sales of comparable properties within the ACT and on freehold land in adjoining NSW.

The draft valuation received used a value of approximately [REDACTED] excluding buildings (**Attachment 2**). This value in both cases did not include any consideration for potential higher order uses or redevelopment of the land.

Strategic Value

The majority of the land (90%) within Winslade is less than 20% slope which is optimal for urban development (**Attachment 3**). The land is modified from past agricultural use so is unlikely to have significant environmental value. Core ecological connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.

Winslade is strategically located between the LDA's properties of Huntly to the north and Fairvale to the south. Acquiring this property would provide opportunity for infrastructure connections between these two areas. In addition it has the potential to provide additional access to Huntly which may be a significant consideration for emergency services in any future urban development.

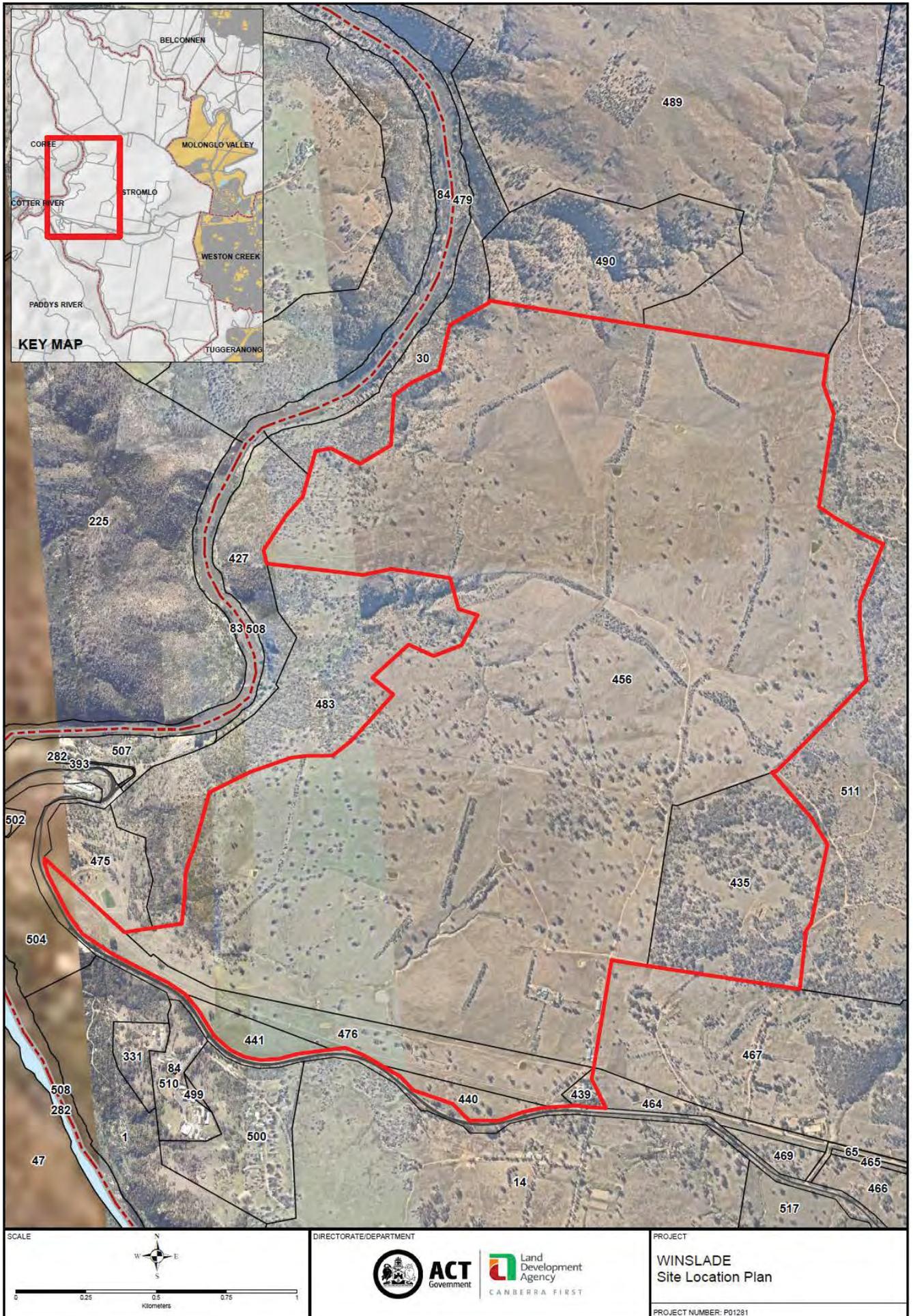
Recommendation

That the Board agree to:

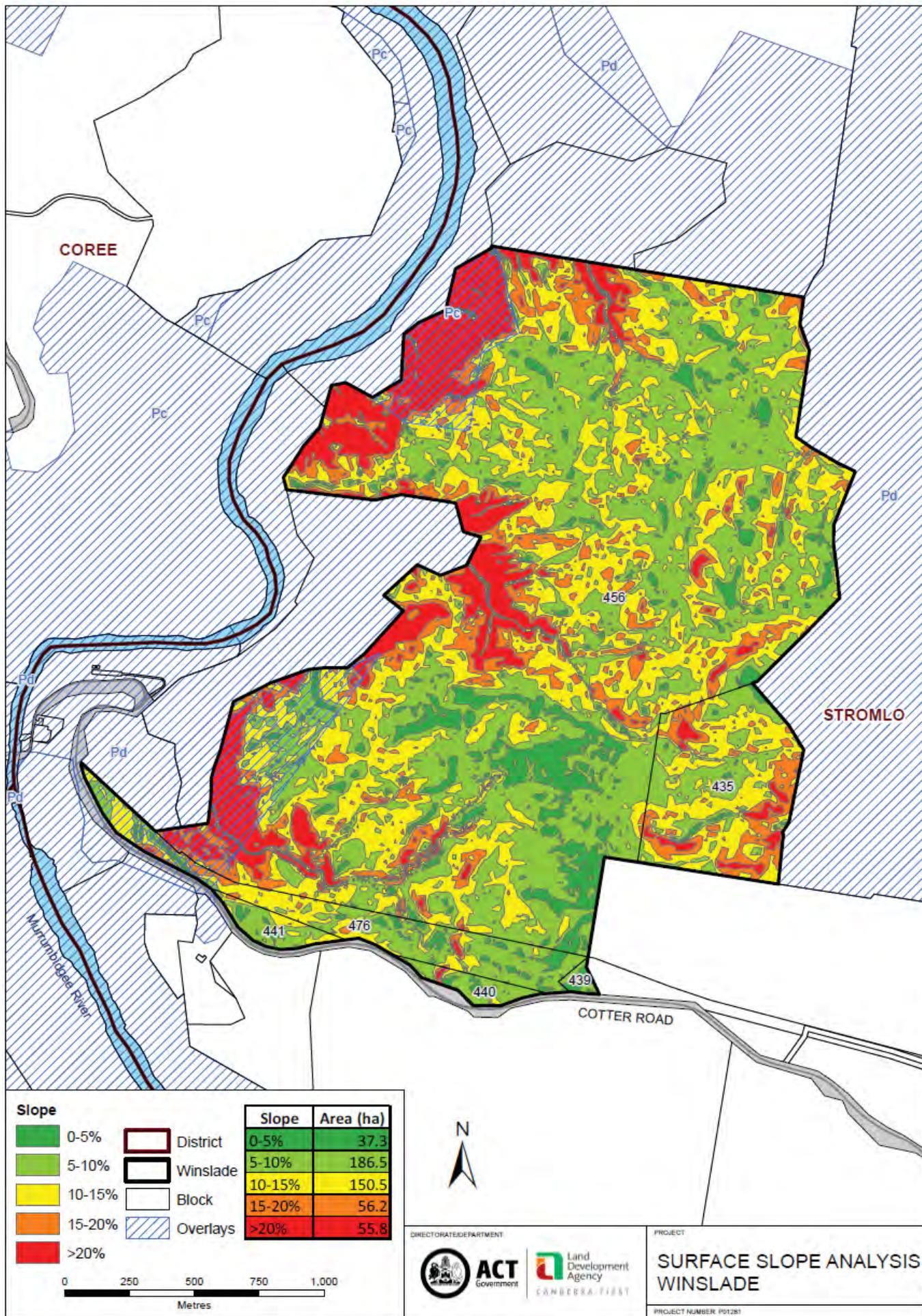
1. Proceeding with negotiations with [REDACTED] for the possible acquisition of Winslade in the District of Stromlo,
2. The purchase price be negotiated with [REDACTED] with the upper limit of \$7.5m excluding GST.

Tom Gordon, Executive Director, Greenfield
20 May 2016

Attachment 1 – Proposed Land Acquisition



Attachment 3 – Slope Analysis Plan



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DECISION ITEM:

STROMLO 456 WINSLADE STRATEGIC ACQUISITION OF LAND



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Purpose

To inform the Board on the potential acquisition of land identified as Blocks 435, 439, 440, 441, 456 and 476 (Winslade) in the District of Stromlo.

Background

Winslade consists of the 1 ACT rural leasehold property outlined in ~~red yellow~~ in Attachment 1. The title description is: Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896. ~~The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha consistent with the Stoney Creek Nature Reserve boundary.~~

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This acquisition proposal is the subject of an approach by the current owner [redacted] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntly and to the west by the Murrumbidgee River.

Winslade is only 3 kilometres from the western edge of Denman Prospect in Molonglo Stage 2.

~~The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha and is to be for potential future areas to be included in the river corridor for ecological reasons consistent with the Stoney Creek Nature Reserve boundary.~~

A detailed assessment of the developable area has not been undertaken ~~at this point of time~~ but will be undertaken should the Board support pursuing the acquisition proposal. However, subject to further investigations, it could be expected that a third of the property, after any withdrawals occur, would be required for parks, open space and other urban associated uses and may result in about 2940ha being available for dwellings. This may yield about [redacted] dwellings with returns from land sales in the order of [redacted]

~~Identification of the Molonglo Valley firstly as an urban capable area and then as a future urban area occurred in the Government's Canberra Spatial Plan (March 2004). Winslade falls partly within the area shown as future urban, as a natural extension of Molonglo Stage 2 south of the Molonglo River, and partly within the area shown as rural.~~

~~Taken holistically, and including the potential urban areas of Huntly to the north and Stromlo to the south, it "completes" the setting as a new town.~~

~~The Canberra Spatial Plan (2004) Strategic Direction Map is at Attachment 2 and the inset shows the location of the Eastern Precinct (Molonglo Stages 1, 2 and 3 as well as the Central precinct.~~

COMMERCIAL IN CONFIDENCE

The Canberra Plan published in 2008 highlighted significant increases in population, the growth of the economy, gross household income, a small increase in the labour market and increases in housing numbers. This highlights growth in the economy and an increase in housing demand. While the resultant Structure Plan that developed from these earlier considerations, it concentrated development focus in the Eastern Precinct, the key principles of the Canberra Spatial Plan would equally apply to cover the Winslade property.

The key principles are:

- Containing growth
- Residential intensification
- Centralising new residential areas
- Locating employment
- Protecting biodiversity
- Good travel connections
- Sustainable growth of the region.

The moratorium on land to the north of the Molonglo River (Central Precinct) to allow time to monitor and evaluate the natural resource values of the area, does not apply south of the Molonglo River.

The potential purchase of Winslade ~~is~~ can be considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts ~~in the~~ Stromlo District. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Issues

Land Acquisition Policy Framework

In June of 2014 the LDA was provided direction for the purpose of strategic acquisitions directed to act in accordance with the principles of the Land Development Agency – Land Acquisition Policy Framework when exercising the Agency's functions under the *Planning and Development Act 1997*. If agreed the proposed acquisition would be set out in this paper is in accordance with the principles of the framework. Specifically, it could the value of the property would fall within clause 2.2.1 b. between \$5m and \$20m which requires agreement by the Chief Minister and Treasurer. LDA is to provide a business case to ACT Treasury for all such proposals.

Crown Lessee

The Crown Lessee is identified as [redacted]

[redacted] has a 99 year lease on the properties that commenced on 27 September 2002 and has approximately 85 years to run.

Application and Valuation

After the initial approach to the LDA by [redacted] for purchase of the land, the LDA has commissioned a land valuation to assist in negotiating a fair market value. The valuer (Knight Frank) has determined a price of between ~~\$26.5mm~~ and \$27.5m excluding GST. This valuation is based on the current lease purpose clause as rural land.

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[redacted] will be provided with a copy the independent valuation report to gage his interest to sell and willingness to negotiate a price consistent with the valuation.

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It is expected that any development will include land for urban land development, open space, infrastructure corridors and road, and possibly small areas of future EPBC offset potential.

The property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Land Management

Ongoing management of the land would take the form of a licence or Medium term lease to either [redacted] or another interested party and include a land management agreement with the LDA. This would allow the operation of the farm to continue until such time as the land in part or as a whole is required for urban development. [redacted] manages the property operations at the moment.

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Details of the commercial return to the LDA are yet to be determined.

Part of the land may have small potential as an environmental offset area under the EPBC Act for associated developments depending on the species and communities impacted at the time.

Acquisition will also allow the increased protection of Stromlo Forest Park by providing the opportunity for decreasing the risk of unimpeded fire runs from the north west. This could be achieved by agreed land management operations and fire mitigation measures.

Price Analysis

The property valuation received as part of the assessment of Winslade analysed sales evidence from recent sales of comparable properties within the ACT and on freehold land in adjoining NSW.

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The draft valuation received used a value of approximately [redacted] excluding buildings (Attachment 2). This value in both cases did not include any consideration for potential higher order uses or redevelopment of the land.

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Strategic Value

The majority of the Land (92%) within Winslade is less than 20% slope which is optimal for urban development (Attachment 3). The land is severely modified from past agricultural use so is unlikely to have significant environmental value. Core ecological connections between

COMMERCIAL IN CONFIDENCE

Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.

Winslade is strategically located between the LDA's properties of Huntly to the north and Fairvale to the south. Acquiring this property would provide infrastructure connections between these two areas. In addition it has the potential to provide additional access to Huntly which may be a significant consideration for emergency services in any future urban development.

adjacent to Huntly, a recent purchase by the LDA and across Coppins Crossing road to the south is Fairvale another recent purchase by the LDA making Winslade the missing link between the properties.

Acquiring this property could provide infrastructure connections between Huntly in the north to other rural properties in south Stromlo.

Recommendation

That the Board agree to:

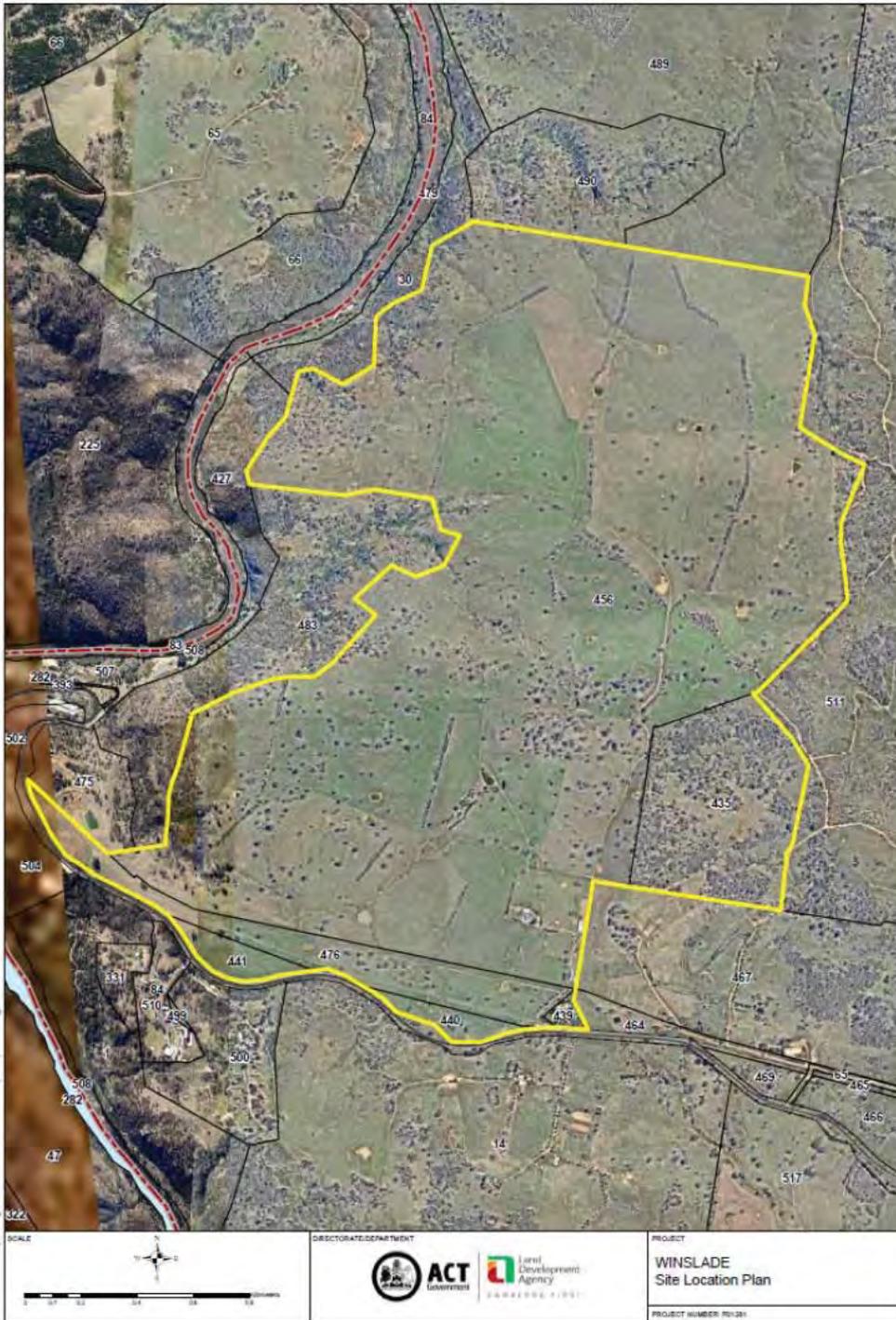
1. Proceeding with negotiations with [REDACTED] for the possible acquisition of Winslade in the District of Stromlo,
 2. The purchase price be negotiated with [REDACTED] the the upper limit of \$2-\$7.5m excluding GST.
2. Tom Gordon, Executive Director, Greenfield
20 May 2016

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Attachment 1 – Proposed Land Acquisition



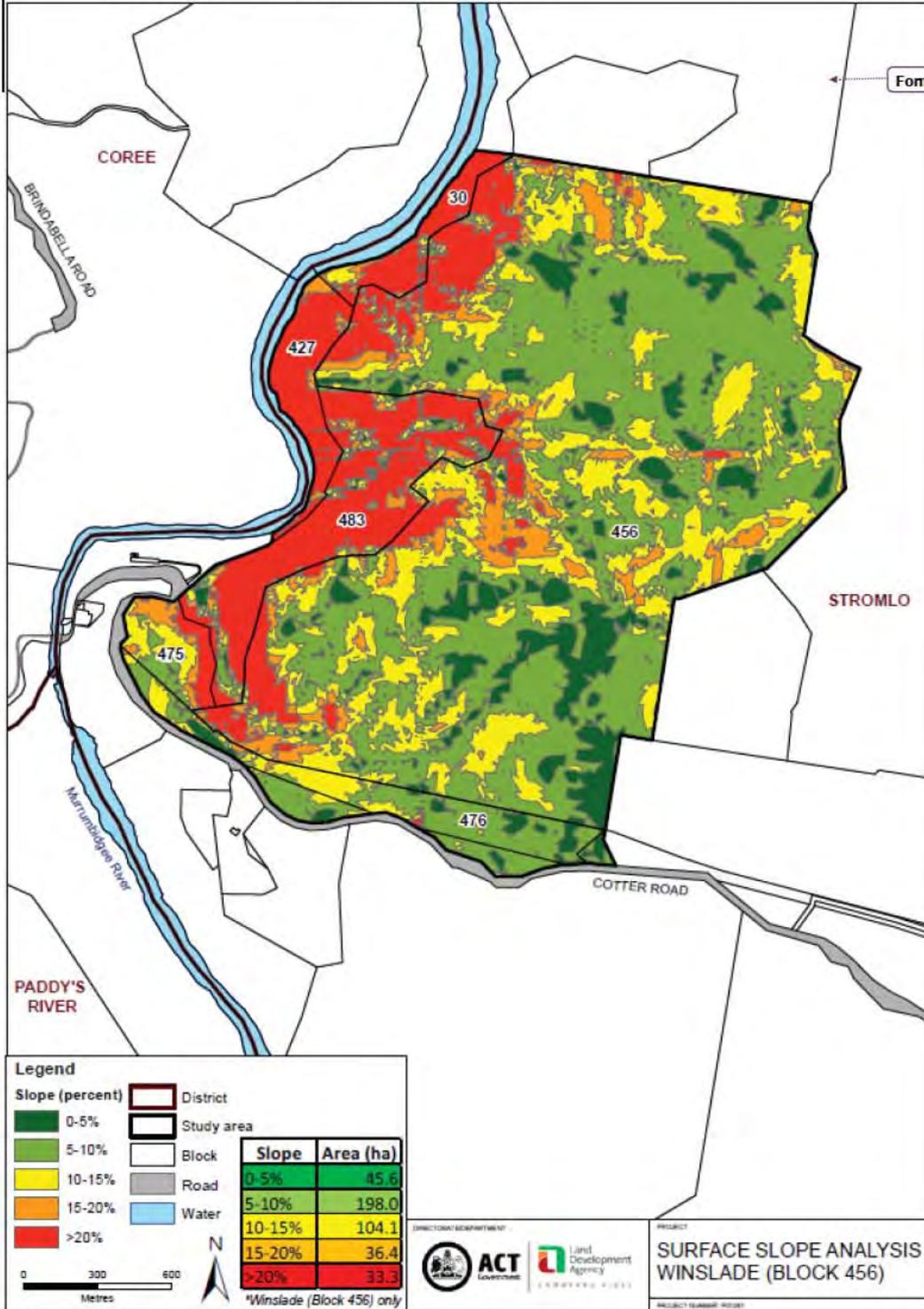
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| [Attachment 2 –Draft Valuation Report](#)

Attachment 23 – Slope Analysis Plan

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DECISION ITEM:
WINSLADE ACQUISITION OF LAND



Purpose

To inform the Board on the potential acquisition of land identified as Blocks 435, 439, 440, 441, 456 and 476 (Winslade) in the District of Stromlo.

Background

Winslade consists of the 1 ACT rural leasehold properties outlined in ~~red-yellow~~ in **Attachment 1**. The title description is: Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896. The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha consistent with the Stoney Creek Nature Reserve boundary.

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This acquisition proposal is the subject of an approach by the current owner [redacted] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntly and to the west by the Murrumbidgee River.

Winslade is only 3 kilometres from the western edge of Denman Prospect in Molonglo Stage 2.

~~The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha and is to be for potential future areas to be included in the river corridor for ecological reasons consistent with the Stoney Creek Nature Reserve boundary.~~

A detailed assessment of the developable area has not been undertaken ~~at this point of time~~ but will be undertaken should the Board support pursuing the acquisition proposal. However, subject to further investigations, it could be expected that a third of the property, after any withdrawals occur, would be required for parks, open space and other urban associated uses and may result in about 294ha being available for dwellings. This may yield about [redacted] dwellings with returns from land sales in the order of [redacted].

~~Identification of the Molonglo Valley firstly as an urban capable area and then as a future urban area occurred in the Government's Canberra Spatial Plan (March 2004). Winslade falls partly within the area shown as future urban, as a natural extension of Molonglo Stage 2 south of the Molonglo River, and partly within the area shown as rural.~~

~~Taken holistically, and including the potential urban areas of Huntly to the north and Stromlo to the south, it "completes" the setting as a new town.~~

The Canberra Spatial Plan (2004) – Strategic Direction Map is at Attachment 2 and the inset shows the location of the Eastern Precinct (Molonglo Stages 1, 2 and 3 as well as the Central precinct.

The Canberra Plan published in 2008 highlighted significant increases in population, the growth of the economy, gross household income, a small increase in the labour market and increases in housing numbers. This highlights growth in the economy and an increase in housing demand. While the resultant Structure Plan that developed from these earlier considerations, it concentrated development focus in the Eastern Precinct, the key principles of the Canberra Spatial Plan would equally apply to cover the Winslade property.

The key principles are:

- Containing growth
- Residential intensification
- Centralising new residential areas
- Locating employment
- Protecting biodiversity
- Good travel connections
- Sustainable growth of the region.

The moratorium on land to the north of the Molonglo River (Central Precinct) to allow time to monitor and evaluate the natural resource values of the area, does not apply south of the Molonglo River.

The potential purchase of Winslade ~~is~~ can be considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts ~~the~~ in Stromlo District. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Issues

Land Acquisition Policy Framework

In June of 2014 the LDA was provided direction for the purpose of strategic acquisitions directed to act in accordance with the principles of the Land Development Agency – Land Acquisition Policy Framework when exercising the Agency’s functions under the *Planning and Development Act 1997*. ~~If agreed to~~ The proposed acquisition could be set out in this paper is in accordance with the principles of the framework. Specifically, ~~it could~~ the value at the property would fall within clause 2.2.1 b. between \$5m and \$20m which requires agreement by the Chief Minister and Treasurer. LDA is to provide a business case to ACT Treasury for all such proposals.

COMMERCIAL IN CONFIDENCE

Crown Lessee

The Crown Lessee is identified as [REDACTED]

[REDACTED] has a 99 year lease on the properties that commenced on 27 September 2002 and has approximately 85 years to run.

Application and Valuation

After the initial approach to the LDA by [REDACTED] for purchase of the land, the LDA has commissioned a land valuation to assist in negotiating a fair market value. The valuer (Knight Frank) has determined a price of between \$26.5mm and \$27.5m excluding GST. This valuation is based on the current lease purpose clause as rural land.

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[REDACTED] will be provided with a copy the independent valuation report to gauge his interest to sell and willingness to negotiate a price consistent with the valuation.

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It is expected that any development will include land for urban land development, open space, infrastructure corridors and road, and possibly small areas of future EPBC offset potential.

The property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Land Management

Ongoing management of the land would take the form of a licence or Medium term lease to either [REDACTED] or another interested party and include a land management agreement with the LDA. This would allow the operation of the farm to continue until such time as the land in part or as a whole is required for urban development. [REDACTED] manages the property operations at the moment.

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Details of the commercial return to the LDA are yet to be determined.

Part of the land may have small potential as an environmental offset area under the EPBC Act for associated developments depending on the species and communities impacted at the time.

Acquisition will also allow the increased protection of Stromlo Forest Park by providing the opportunity for decreasing the risk of unimpeded fire runs from the north west. This could be achieved by agreed land management operations and fire mitigation measures.

Price Analysis

The property valuation received as part of the assessment of Winslade analysed sales evidence from recent sales of comparable properties within the ACT and on free hold land in adjoining NSW.

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The valuation received used a value of approximately [REDACTED] excluding buildings. This value in both cases did not include any consideration for potential higher order uses or redevelopment of the land.

Strategic Value

The majority of the Land (92%) within Winslade is less than 20% slope which is optimal for urban development (Attachment 2). The land is severely modified from past agricultural use so is unlikely to have significant environmental value. Core ecological

COMMERCIAL IN CONFIDENCE

connections between Stony Creek Nature Reserve and Stromlo Forest Park could be incorporated into any future development.

Winslade is strategically located adjacent to Huntly, a recent purchase by the LDA and across Coppins Crossing road to the south is Fairvale another recent purchase by the LDA making Winslade the missing link between the properties.

Acquiring this property could provide infrastructure connections between Huntly in the north to other rural properties in south Stromlo.

Recommendation

That the Board agree to:

1. Proceeding with negotiations with [REDACTED] for the possible acquisition of Winslade in the District of Stromlo,
2. The purchase price be negotiated with [REDACTED] the the upper limit of ~~\$2~~\$7.5m excluding GST.

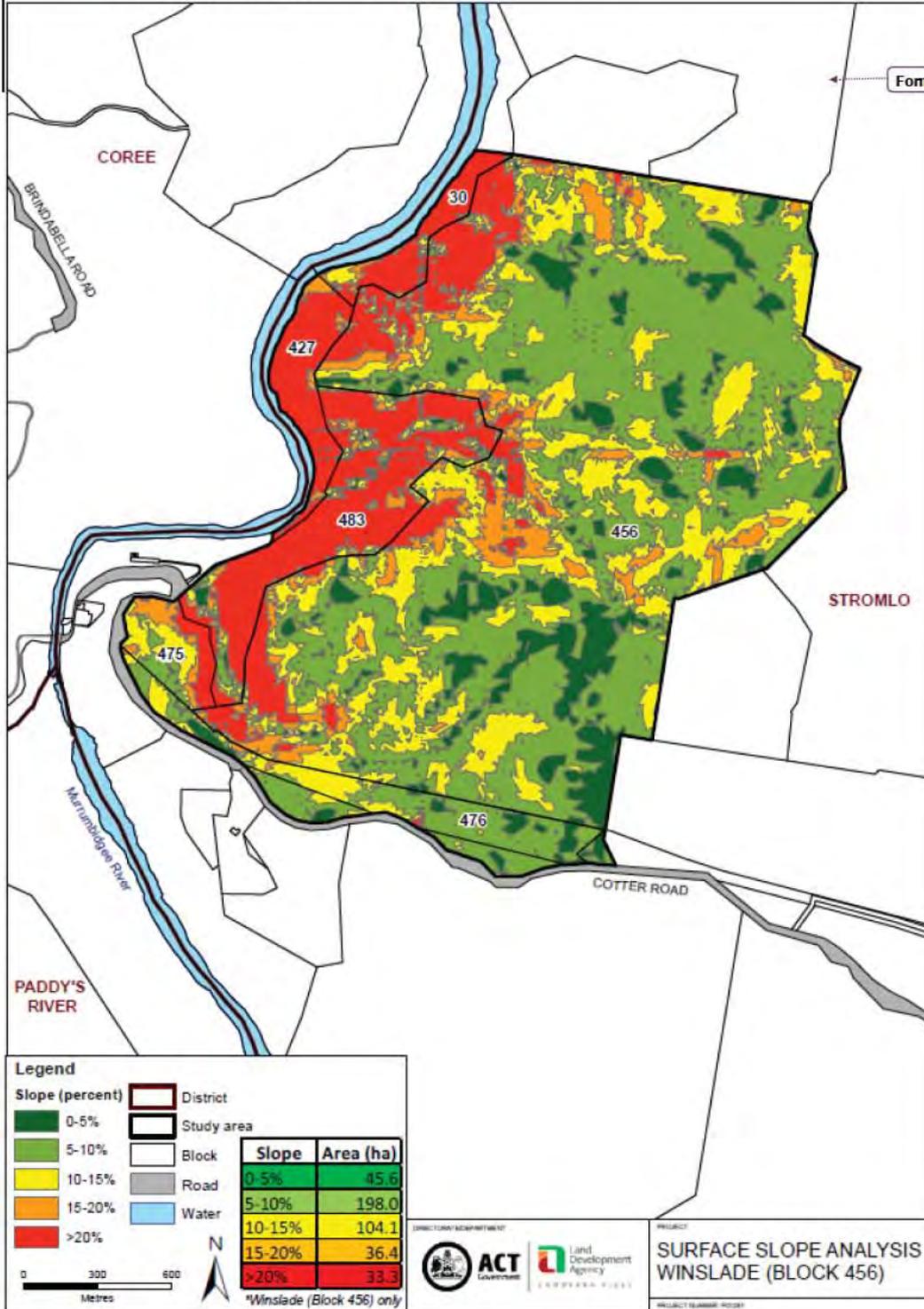
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Attachment 1 – Proposed Land Acquisition



COMMERCIAL IN CONFIDENCE

Attachment 2 – Slope Analysis Plan



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**DECISION ITEM:
WINSLADE ACQUISITION OF LAND****Purpose**

To inform the Board on the potential acquisition of land identified as Blocks 435, 439, 440, 441, 456 and 476 (Winslade) in the District of Stromlo.

Background

Winslade consists of the 1 ACT rural leasehold properties outlined in red in **Attachment 1**. The title description is:

- Blocks 435, 439, 440, 441, 456 and 476 District of Stromlo – Deposited Plans No. 7589/2, 7843, 8625 and 8896

This acquisition proposal is the subject of an approach by the current owner [REDACTED] to sell to the LDA. It consists of approximately 486ha located 20km west of Canberra's CBD fronting Cotter Road and adjacent to Stromlo Forest Park. It is bounded on the north by Huntly and to the west by the Murrumbidgee River.

Winslade is only 3 kilometres from the western edge of Denman Prospect in Molonglo Stage 2.

The land is described as full tenant right ACT Rural lease, but subject to partial withdrawal. The area subject to withdrawal is about 44ha and is to be for potential future areas to be included in the river corridor for ecological reasons consistent with the Stoney Creek Nature Reserve boundary.

A detailed assessment of the developable area has not been undertaken at this point of time but will be undertaken should the Board support pursuing the acquisition proposal. However, subject to further investigations, it could be expected that a third of the property, after any withdrawals occur, would be required for parks, open space and other urban associated uses and may result in about 291ha being available for dwellings. This may yield about [REDACTED] dwellings with returns from land sales in the order of [REDACTED].

Identification of the Molonglo Valley firstly as an urban capable area and then as a future urban area occurred in the Government's *Canberra Spatial Plan* – (March 2004). Winslade falls partly within the area shown as future urban, as a natural extension of Molonglo Stage 2 south of the Molonglo River, and partly within the area shown as rural.

Taken wholistically, and including the potential urban areas of Huntly to the north and Stromlo to the south, it "completes" the setting as a new town.

The Canberra Spatial Plan (2004) – Strategic Direction Map is at **Attachment 2** and the inset shows the location of the Eastern Precinct (Molonglo Stages 1, 2 and 3 as well as the Central precinct).

The Canberra Plan published in 2008 highlighted significant increases in population, the growth of the economy, gross household income, a small increase in the labour market and increases in housing numbers. This highlights growth in the economy and an increase in housing demand. While the resultant Structure Plan that developed from these earlier considerations, it concentrated development focus in the Eastern Precinct, the key principles of the Canberra Spatial Plan would equally apply to cover the Winslade property.

The key principles are:

- Containing growth
- Residential intensification
- Centralising new residential areas
- Locating employment
- Protecting biodiversity
- Good travel connections
- Sustainable growth of the region.

The moratorium on land to the north of the Molonglo River (Central Precinct) to allow time to monitor and evaluate the natural resource values of the area, does not apply south of the Molonglo River.

The potential purchase of Winslade is considered a significant strategic acquisition in securing land ahead of time in and adjacent to the other already identified precincts in Stromlo. In the meantime the property would be maintained as a commercial operation until a variation to the Territory Plan was supported for future urban development.

Issues

Land Acquisition Policy Framework

In June of 2014 the LDA was directed to act in accordance with the principles of the Land Development Agency – Land Acquisition Policy Framework when exercising the Agency’s functions under the *Planning and Development Act 1997*. The proposed acquisition set out in this paper is in accordance with the principles of the framework. Specifically, it could fall within clause 2.2.1 b. between \$5m and \$20m which requires agreement by the Chief Minister and Treasurer. LDA is to provide a business case to ACT Treasury for all such proposals.

Crown Lessee

The Crown Lessee is identified as [REDACTED]

[REDACTED] has a 99 year lease on the properties that commenced on 27 September 2002 and has approximately 85 years to run.

Application and Valuation

After the initial approach to the LDA by [REDACTED] for purchase of the land, the LDA has commissioned a land valuation to assist in negotiating a fair market value. The valuer (Knight Frank) has determined a price of between \$?m and \$?m excluding GST. This valuation is based on the current lease purpose clause as rural land.

[REDACTED] will be provided with a copy the independent valuation report to gage his interest to sell and willingness to negotiate a price consistent with the valuation.

It is expected that any development will include land for urban land development, open space, infrastructure corridors and road, and possibly small areas of future EPBC offset potential.

The property would be purchased as an ongoing concern and GST does not apply to the arrangements under the sales contract.

Land Management

Ongoing management of the land would take the form of a licence or Medium term lease to either [REDACTED] or another interested party and include a land management agreement with the LDA. This would allow the operation of the farm to continue until such time as the land in part or as a whole is required for urban development. [REDACTED] manages the property operations at the moment.

Details of the commercial return to the LDA are yet to be determined.

Part of the land may have small potential as an environmental offset area under the EPBC Act for associated developments depending on the species and communities impacted at the time.

Acquisition will also allow the increased protection of Stromlo Forest Park by providing the opportunity for decreasing the risk of unimpeded fire runs from the north west. This could be achieved by agreed land management operations and fire mitigation measures.

Price Analysis

The property valuation received as part of the assessment of Winslade analysed sales evidence from recent sales of comparable properties within the ACT and on freehold land in adjoining NSW.

The valuation received used a value of approximately \$?/ha excluding buildings. This value in both cases did not include any consideration for potential higher order uses or redevelopment of the land.

Recommendation

That the Board agree to:

1. Proceeding with negotiations with [REDACTED] for the possible acquisition of Winslade in the District of Stromlo,
2. The purchase price be negotiated with [REDACTED] the the upper limit of \$?m excluding GST.

Attachment 1 – Proposed Land Acquisition

