

Department of Treasury
CLEARANCE AND ASSESSMENT



TSY-M08/528

Subject: Brumbies Assistance	
Under Treasurer: Megan Smithies [REDACTED]	Date: 10/29/08
A/g Executive Director: Neil Bulless [REDACTED]	Date: 9/2/08
Contact Officer: Peter Micalos	Ext: 50590

This section to be completed by the Treasurer's Office <i>(Please tick)</i>	Unsatisfactory	Satisfactory	Very Good	Excellent
Timeliness				
Relevance / Content				
Presentation				
Completed by:	Date:			

DEPARTMENT OF TREASURY

TSY-M08/S28

Number: 2008-521

Urgent:

Due Date: ASAP

From: Jon Stanhope

Subject: Andrew Barr - Brumbies Assistance

Refer to: Megan Smithies

ACTION REQUIRED

- Acknowledgement by Minister
- Reply by Minister
- Brief/Advice to Treasurer
- Reply by Chief of Staff
- Reply by Adviser
- For information/file
- For appropriate action
- Reply by Department

- Reply by Chief Executive
 - Letter
 - Telephone Call*
 - Meeting
- Reply by
 - Telephone Call*
 - Meeting
- Other

* A file note summarising the conversation to be made.

Comments:

COMPLETION DETAILS

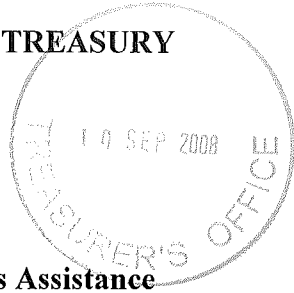
Action Officer:

Telephone no:

Papers placed on file no:

Date completed:

**DEPARTMENT OF TREASURY
MINUTE**



To: Treasurer
Subject: **Brumbies Assistance**
Timing: **Urgent** – Consideration is required as soon as possible.

Purpose: To advise you on issues raised in a letter from the Minister for Sport and Recreation seeking financial assistance for the Brumbies.

Key Points:

- The Minister for Sport and Recreation, Mr Andrew Barr, has written to you seeking your agreement to waive the following debts relating to the Brumbies:
 - Land Rent debt on the existing lease that the Canberra South Bowling and Recreation Club (CSBRC) occupies (approximately \$140,000); and
 - Duty owed on the property purchase of the CSBRC (approximately \$125,000).
- Mr Barr has requested these measures in the context of a broader investment package, whereby under the proposal, the Brumbies will commit to a long term agreement with the ACT Government and fund the refurbishment of CSBRC.

Treasury view

- Treasury acknowledges that there are long standing assistance arrangements for the Brumbies. These include a Performance Fee of \$700,000 per annum, supplemented by up to two \$50,000 payments per year for bonus (finals) games. Furthermore, National League team funding of \$100,000 per year is also provided to the Brumbies.
 - The Performance Fee is a contractual arrangement. The current arrangement commenced on 1 January 2004 and expires on 31 December 2008, with the final payment on that agreement due to the Brumbies in July 2009.
 - The National League team funding is a tiered grant arrangement that runs on a triennial basis.
- However, any form of assistance, whether it be through a grant or a waiver, represents a call on taxpayer funded resources and therefore must be carefully considered against the broader community or economic benefits that may result.
- This analysis would typically represent an assessment of the 'business case' put forward by the proponent, and include:
 - the problem or situation addressed by the assistance;
 - the features and scope of the proposed assistance;
 - the options considered and the rationale for choosing the solution proposed;
 - the proposal's conformity with existing policies, etc;
 - key performance indicators;

Contact: **Peter Micalos** Financial Analyst Ext: 50590 File No:

- the expected costs; and
- the anticipated outcomes and benefits.
- The advice from Minister Barr does not set out any of the information that would assist Treasury to undertake an assessment of whether the waivers would be in the best interest of the Territory.

Waiving Land Rent Debt

- Treasury understands that the Land Rent debt originated as a consequence of the ACT Rugby Union (ACTRU) and the CSBRC previously entering into a joint venture to undertake the development of Blocks 3 and 4, Section 42 Griffith which were consolidated to form Block 15 Section 42, the location of the Licensed Club, bowling greens and the headquarters of the ACTRU.
- The CSBRC, which had incurred the Land Rent debt and which has not made any payments to date to ACTPLA, has now gone into liquidation.
- Treasury understands that the offer put to the CSBRC by the Brumbies included forgiving a loan of \$1.5 million payable to it by the CSBRC and taking on all existing liabilities with respect to other creditors and ongoing costs, provided that CSBRC transfers the Crown Lease for Block 15, including buildings and fittings, to the Brumbies.
 - Treasury notes that the issue of unpaid land rent debt by the CSBRC has been unresolved for a number of years.
 - ACTPLA has suggested that if the waiver of the outstanding debt can be incorporated into a broader proposal with overall public benefit, and that provides appropriate safeguards to ensure that the public benefits are realised, then it would consider a potential waiver as a step forward in having the existing CSBRC land rent debt resolved.

Waiving Duty

- The Brumbies are liable for duty related to the purchase of the CSBRC property in Griffith.
- The case for waiving the duty might be made on the following grounds -
 - public benefit may be generated by the Brumbies taking over the CSBRC and investing in its revitalisation, which would service the needs of the surrounding community; and/or
 - the extension of the existing national league teams support package to ensure that the Brumbies maintain their presence in Canberra is likely to result in continuing and significant community and economic benefits.
- As noted earlier, Treasury could not recommend a waiver on these grounds in the absence of more information.

Way Forward

- Section 131 of the *Financial Management Act 1996* (FMA) allows you to waive the Territory's right to payment of a debt.
- The grant of a waiver can be made subject to certain conditions. The circumstances of these waivers are usually exceptional or unique. The support of a waiver has usually been based,

amongst other things, on the grounds of financial hardship or demonstrated community or economic benefit well beyond the level of fees waived.

- The Brumbies has advised that they are examining a range of options for the CSBRC site but have yet to make any decision. ACTPLA and TAMS were not aware of any specific plans at this stage.
 - Treasury considers that any agreement to waive must be linked to certain conditions being fulfilled.
 - This would include detailed analysis by the Department of Territory and Municipal Services and the Brumbies on the expected economic and community benefits, and this should be undertaken as part of developing the proposed assistance package. It would also include the provision of a business case to the Treasurer from the responsible Minister.
- Based on the available information, Treasury would therefore recommend that only your in-principle agreement to the waivers be provided at this point.

Recommendations:

It is recommended that you:

- note the above;
- sign the letter to Minister Barr at Attachment A providing your in-principle agreement to the proposed waivers, conditional on the receipt of an appropriate business case.



Neil Bulless

Neil Bulless
A/g Executive Director
Finance and Budget Division



9 September 2008

Noted / Approved / Not approved / Please discuss
Jon Stanhope MLA / /2008

11/9/08



Andrew Barr MLA

MINISTER FOR EDUCATION AND TRAINING
MINISTER FOR PLANNING
MINISTER FOR TOURISM, SPORT AND RECREATION
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Jon Stanhope MLA
Treasurer

Dear ~~Jon~~ Chief Minister

*Ms Stanhope
Advice please
the proposal
relevant your view
support but would*

3/12

As discussed today, The Brumbies are looking for confirmation that the ACT Government will agree to waive stamp duty for the purchase of the Canberra South Bowling and Recreation Club (cost: approx. \$125,000).

They are also hoping to receive confirmation that Government will waive the land rent debt on the existing lease (cost: approx. \$140,000). This is a residual debt, relating to the consolidation of leases on Blocks 3 and 4, which was assumed by the Brumbies from the Canberra South Bowling and Recreation Club.

These measures are requested in the context of a broader investment package. Under the proposal the Brumbies will commit to a long-term agreement with the ACT Government and fund the refurbishment of CSRBC facilities (cost: \$750,000). I seek your agreement to the following:

- Waive Stamp Duty on purchase from the CSBRC (approx \$125,000)
- Waive Land Rent Debt on the existing lease (approx \$140,000)

If you agree, I will write to the Brumbies informing them of the waiver of these debts to the Territory.

Yours sincerely



Andrew Barr MLA
Minister for Sport and Recreation

ACT LEGISLATIVE ASSEMBLY



COPY

Jon Stanhope MLA

CHIEF MINISTER

TREASURER MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT

MINISTER FOR INDIGENOUS AFFAIRS MINISTER FOR THE ENVIRONMENT, WATER AND CLIMATE CHANGE

MINISTER FOR THE ARTS

MEMBER FOR GINNINDERRA

Mr Andrew Barr
Minister for Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr

Thank you for your recent letter in which you requested I waive debts owed by the Brumbies relating to Duty (approximately \$125,000) and Land Rent (approximately \$140,000) in the context of its operations concerning the Canberra South Bowling and Recreation Club (CSBRC).

I am advised that the proposed waivers will form part of a broader assistance package which is expected to be finalised by early 2009. However, I note that I have not been provided with any detailed analysis or a business case to justify the agreement to the waivers at this time.

Typically, an assessment of the broader community or economic benefit would be made through the development of a 'business case' put forward by the proponent or the responsible department. This may include detail on:

- the reasons for the proposed assistance;
- the features and scope of the proposed assistance;
- the options considered and the rationale for choosing the solution proposed;
- the proposal's conformity with existing policies, etc;
- the expected costs; and
- the anticipated outcomes and benefits.

I acknowledge that the Government has a long standing history of providing assistance to the Brumbies, through Performance Fee payments, National League team funding and through capital projects such as the Griffith Oval fence. I also acknowledge that the Brumbies play a significant role in Canberra's sporting identity.

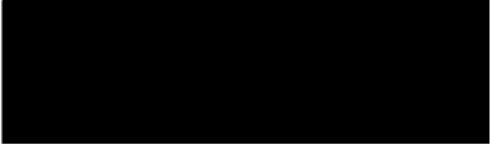
However, I think it appropriate that any further assistance, particularly through a waiver, be made conditional on the receipt of a suitable business case. This process need not be onerous but will ensure that any decision is made with full knowledge of the potential broader benefits to the community.

ACT LEGISLATIVE ASSEMBLY

At this time then, I propose to provide my in-principle agreement to waive the debts subject to the conditions outlined above.

I look forward to receiving that information in due course.

Yours sincerely



Jon Stanhope MLA
Treasurer

11/9/08

Department of Treasury CLEARANCE AND ASSESSMENT



TSY- 809/94



Subject: Brumbies Waiver of Duty and Land Rent Follow Up	
Under Treasurer: Megan Smithies [REDACTED]	Date: 5/3/09
Executive Director: Neil Bulless [REDACTED]	Date: 4/3/09
Contact Officer: Peter Micalos	Ext: 50590

This section to be completed by the Treasurer's Office (Please tick)	Unsatisfactory	Satisfactory	Very Good	Excellent
Timeliness				
Relevance / Content				
Presentation				
Completed by:	Date:			

DEPARTMENT OF TREASURY
MINUTE



To: Treasurer

Subject: **Brumbies - Follow Up on Duty and Land Rent Waiver**

Timing: **Urgent** – Consideration is required as soon as possible.

Purpose: To advise you on conditions that have not been fulfilled in relation to a decision to waive Duty and Land Rent debts owed by the Brumbies.

Key Points:

- On 11 September 2008 the former Treasurer agreed in-principle to a request from the Minister for Tourism, Sport and Recreation, Mr Andrew Barr, to waive Duty and a Land Rent debt owed by the Brumbies to the Territory concerning the purchase of the Canberra South Bowling and Recreation Club (CSBRC) (Attachment A).
 - In-principle agreement was provided on the basis that the “broader Brumbies investment package” that Mr Barr referred to in his initial request, would also provide a broader community and/or economic benefit.
- The former Treasurer wrote to Mr Barr advising him of his decision, as well as stipulating the conditions upon which final agreement was contingent (Attachment B).
- The former Treasurer requested a business case, developed by the proponent or the responsible department, which demonstrates the broader community and/or economic benefit that would arise from waiving the debts. The business case was to include the following items:
 - the reasons for the request for the proposed assistance;
 - the features and scope of the proposed assistance;
 - the options considered and the rationale for choosing the solution proposed;
 - the proposal’s conformity with existing policies etc;
 - the expected costs; and
 - the anticipated outcomes and benefits.
- Treasury has sought from Sport and Recreation Services within the Department of Territory and Municipal Services (TAMS) an update on a response to the letter to Minister Barr. Treasury also sought an information on what response had been provided by Mr Barr to the Brumbies, and the progress of any request for information that might have been included in that response.
 - Treasury has been advised that, to date, no action has been undertaken with regard to informing the Brumbies of these conditions, nor provision of a business case.
- Treasury recommends that you write to Mr Barr advising him that consideration of agreement to waive the amounts in question, under section 131 of the *Financial Management Act 1996*, is not able to proceed until an appropriate business case, clearly

Contact: **Peter Micalos**

Financial Analyst

Ext: 50590

File No:

demonstrating and committing to the community/economic benefits that the Territory will realise in light of waiving such amounts, has been provided for consideration.

- Treasury is concerned that the Brumbies may have already been advised of an agreement to waive the debts without being advised that final agreement is pending receipt, and acceptance of the appropriate business case and undertakings.


Recommendations:

It is recommended that you:

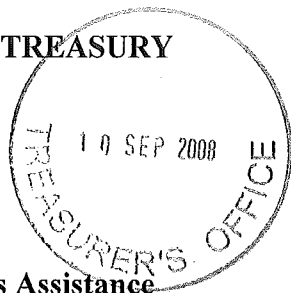
- note the above;
- sign the letter to Minister Barr, at Attachment C, advising him that agreement to waive the amounts in question will not be forthcoming in the absence of an appropriate business case that can clearly demonstrate and commit to the community and economic benefits that will accrue to the Territory as a result of such a waiver.


Glenn Bain
A/g Director
Project and Budget Management Branch.

4 March 2009


Noted / Approved / Not approved / Please discuss
Katy Gallagher MLA 10/3/2009

**DEPARTMENT OF TREASURY
MINUTE**



To: Treasurer

Subject: **Brumbies Assistance**

Timing: **Urgent** – Consideration is required as soon as possible.

Purpose: To advise you on issues raised in a letter from the Minister for Sport and Recreation seeking financial assistance for the Brumbies.

Key Points:

- The Minister for Sport and Recreation, Mr Andrew Barr, has written to you seeking your agreement to waive the following debts relating to the Brumbies:
 - Land Rent debt on the existing lease that the Canberra South Bowling and Recreation Club (CSBRC) occupies (approximately \$140,000); and
 - Duty owed on the property purchase of the CSBRC (approximately \$125,000).
- Mr Barr has requested these measures in the context of a broader investment package, whereby under the proposal, the Brumbies will commit to a long term agreement with the ACT Government and fund the refurbishment of CSBRC.

Treasury view

- Treasury acknowledges that there are long standing assistance arrangements for the Brumbies. These include a Performance Fee of \$700,000 per annum, supplemented by up to two \$50,000 payments per year for bonus (finals) games. Furthermore, National League team funding of \$100,000 per year is also provided to the Brumbies.
 - The Performance Fee is a contractual arrangement. The current arrangement commenced on 1 January 2004 and expires on 31 December 2008, with the final payment on that agreement due to the Brumbies in July 2009.
 - The National League team funding is a tiered grant arrangement that runs on a triennial basis.
- However, any form of assistance, whether it be through a grant or a waiver, represents a call on taxpayer funded resources and therefore must be carefully considered against the broader community or economic benefits that may result.
- This analysis would typically represent an assessment of the 'business case' put forward by the proponent, and include:
 - the problem or situation addressed by the assistance;
 - the features and scope of the proposed assistance;
 - the options considered and the rationale for choosing the solution proposed;
 - the proposal's conformity with existing policies, etc;
 - key performance indicators;

Contact: **Peter Micalos**

Financial Analyst

Ext: 50590

File No:

- the expected costs; and
- the anticipated outcomes and benefits.
- The advice from Minister Barr does not set out any of the information that would assist Treasury to undertake an assessment of whether the waivers would be in the best interest of the Territory.

Waiving Land Rent Debt

- Treasury understands that the Land Rent debt originated as a consequence of the ACT Rugby Union (ACTRU) and the CSBRC previously entering into a joint venture to undertake the development of Blocks 3 and 4, Section 42 Griffith which were consolidated to form Block 15 Section 42, the location of the Licensed Club, bowling greens and the headquarters of the ACTRU.
- The CSBRC, which had incurred the Land Rent debt and which has not made any payments to date to ACTPLA, has now gone into liquidation.
- Treasury understands that the offer put to the CSBRC by the Brumbies included forgiving a loan of \$1.5 million payable to it by the CSBRC and taking on all existing liabilities with respect to other creditors and ongoing costs, provided that CSBRC transfers the Crown Lease for Block 15, including buildings and fittings, to the Brumbies.
 - Treasury notes that the issue of unpaid land rent debt by the CSBRC has been unresolved for a number of years.
 - ACTPLA has suggested that if the waiver of the outstanding debt can be incorporated into a broader proposal with overall public benefit, and that provides appropriate safeguards to ensure that the public benefits are realised, then it would consider a potential waiver as a step forward in having the existing CSBRC land rent debt resolved.

Waiving Duty

- The Brumbies are liable for duty related to the purchase of the CSBRC property in Griffith.
- The case for waiving the duty might be made on the following grounds -
 - public benefit may be generated by the Brumbies taking over the CSBRC and investing in its revitalisation, which would service the needs of the surrounding community; and/or
 - the extension of the existing national league teams support package to ensure that the Brumbies maintain their presence in Canberra is likely to result in continuing and significant community and economic benefits.
- As noted earlier, Treasury could not recommend a waiver on these grounds in the absence of more information.

Way Forward

- Section 131 of the *Financial Management Act 1996* (FMA) allows you to waive the Territory's right to payment of a debt.
- The grant of a waiver can be made subject to certain conditions. The circumstances of these waivers are usually exceptional or unique. The support of a waiver has usually been based,

amongst other things, on the grounds of financial hardship or demonstrated community or economic benefit well beyond the level of fees waived.

- The Brumbies has advised that they are examining a range of options for the CSBRC site but have yet to make any decision. ACTPLA and TAMS were not aware of any specific plans at this stage.
 - Treasury considers that any agreement to waive must be linked to certain conditions being fulfilled.
 - This would include detailed analysis by the Department of Territory and Municipal Services and the Brumbies on the expected economic and community benefits, and this should be undertaken as part of developing the proposed assistance package. It would also include the provision of a business case to the Treasurer from the responsible Minister.
- Based on the available information, Treasury would therefore recommend that only your in-principle agreement to the waivers be provided at this point.

Recommendations:

It is recommended that you:

- note the above;
- sign the letter to Minister Barr at Attachment A providing your in-principle agreement to the proposed waivers, conditional on the receipt of an appropriate business case.



Neil Bulless
A/g Executive Director
Finance and Budget Division

9 September 2008



Noted / Approved / Not approved / Please discuss
Jon Stanhope MLA / /2008

11/9/08



Andrew Barr MLA

MINISTER FOR EDUCATION AND TRAINING
MINISTER FOR PLANNING
MINISTER FOR TOURISM, SPORT AND RECREATION
MINISTER FOR INDUSTRIAL RELATIONS

MEMBER FOR MOLONGLO

Jon Stanhope MLA
Treasurer

~~Jon~~
Dear Chief Minister

*Ms Stanhope
Advice please
the measure
relevant
support
but would
your view
M 3/12*

As discussed today, The Brumbies are looking for confirmation that the ACT Government will agree to waive stamp duty for the purchase of the Canberra South Bowling and Recreation Club (cost: approx. \$125,000).

They are also hoping to receive confirmation that Government will waive the land rent debt on the existing lease (cost: approx. \$140,000). This is a residual debt, relating to the consolidation of leases on Blocks 3 and 4, which was assumed by the Brumbies from the Canberra South Bowling and Recreation Club.

These measures are requested in the context of a broader investment package. Under the proposal the Brumbies will commit to a long-term agreement with the ACT Government and fund the refurbishment of CSRBC facilities (cost: \$750,000). I seek your agreement to the following:

- Waive Stamp Duty on purchase from the CSBRC (approx \$125,000)
- Waive Land Rent Debt on the existing lease (approx \$140,000)

If you agree, I will write to the Brumbies informing them of the waiver of these debts to the Territory.

Yours sincerely



Andrew Barr MLA
Minister for Sport and Recreation

ACT LEGISLATIVE ASSEMBLY



COPY

Jon Stanhope MLA

CHIEF MINISTER

TREASURER MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT

MINISTER FOR INDIGENOUS AFFAIRS MINISTER FOR THE ENVIRONMENT, WATER AND CLIMATE CHANGE

MINISTER FOR THE ARTS

MEMBER FOR GINNINDERRA

Mr Andrew Barr
Minister for Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr

Thank you for your recent letter in which you requested I waive debts owed by the Brumbies relating to Duty (approximately \$125,000) and Land Rent (approximately \$140,000) in the context of its operations concerning the Canberra South Bowling and Recreation Club (CSBRC).

I am advised that the proposed waivers will form part of a broader assistance package which is expected to be finalised by early 2009. However, I note that I have not been provided with any detailed analysis or a business case to justify the agreement to the waivers at this time.

Typically, an assessment of the broader community or economic benefit would be made through the development of a 'business case' put forward by the proponent or the responsible department. This may include detail on:

- the reasons for the proposed assistance;
- the features and scope of the proposed assistance;
- the options considered and the rationale for choosing the solution proposed;
- the proposal's conformity with existing policies, etc;
- the expected costs; and
- the anticipated outcomes and benefits.

I acknowledge that the Government has a long standing history of providing assistance to the Brumbies, through Performance Fee payments, National League team funding and through capital projects such as the Griffith Oval fence. I also acknowledge that the Brumbies play a significant role in Canberra's sporting identity.

However, I think it appropriate that any further assistance, particularly through a waiver, be made conditional on the receipt of a suitable business case. This process need not be onerous but will ensure that any decision is made with full knowledge of the potential broader benefits to the community.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601

Phone (02) 6205 0104 Fax (02) 6205 0433 Email stanhope@act.gov.au

At this time then, I propose to provide my in-principle agreement to waive the debts subject to the conditions outlined above.

I look forward to receiving that information in due course.

Yours sincerely



Jon Stanhope MLA
Treasurer

11/9/08



COPY

Katy Gallagher MLA

DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR COMMUNITY SERVICES
MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Barr MLA
Minister for Tourism, Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr *Andrew*

I am writing with regard to a decision of the former Treasurer whereby he provided in-principle agreement to waive a debt owed to the Territory by the Brumbies, arising from the acquisition of the Canberra South Bowling and Recreation Club (CSBRC).

In providing his in-principle agreement, the former Treasurer attached a number of conditions upon which his final agreement would be contingent. I have attached the former Treasurer's letter to you for reference.

The former Treasurer requested a business case, developed by the proponent or the responsible department, that demonstrates the broader community and/or economic benefit of waiving the respective amounts. The business case was to include the following items:

- the reasons for the proposed assistance;
- the features and scope of the proposed assistance;
- the options considered and the rationale for choosing the solution proposed;
- the proposal's conformity with existing policies etc;
- the expected costs; and
- the anticipated outcomes and benefits.

Treasury has advised me that recent inquiries to your department indicate that no progress had been made in fulfilling the above conditions to date.

I would like to emphasise that the Government has provided significant assistance to the Brumbies, as you would be aware, and any form of assistance, whether it be through a grant or a waiver or an alternative mechanism, represents a call on taxpayer funded resources. I note that appropriate accountability requirements necessitate a formal response from the proponent or your department.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0840 Fax (02) 6205 3030 Email: gallagher@act.gov.au

COMMERCIAL-IN-CONFIDENCE

COMMERCIAL-IN -CONFIDENCE

I should clarify that although the in-principle decision by the former Treasurer was reflected in the 2008-09 2nd Appropriation, final authorisation is still required from me under section 131 of the *Financial Management Act 1996* to provide the waiver.

I am concerned that the Brumbies may have already been advised of the agreement to waive the debts without emphasising that final agreement will still be pending upon receipt of the appropriate undertakings.

I would appreciate your urgent advice on the issues I have raised.

Yours sincerely



Katy Gallagher MLA

Treasurer

10-3-09



DEPARTMENT OF TREASURY
MINUTE

To: Treasurer

Subject: **Brumbies Assistance – Waiver of Duty and Land Rent debts relating to the Canberra South Bowling and Recreation Club (CSBRC)**

Timing: **Urgent** — Your agreement is sought effective on Tuesday 4 August 2009.

Purpose: To seek your final agreement to waive \$144,353.95 in Duty and \$147,186.60 in Land Rent debts owed to the Territory by the Brumbies.

Key Points:

- On 11 September 2008, the former Treasurer agreed in-principle to a request from the Minister for Tourism, Sport and Recreation, Mr Andrew Barr, to waive Duty and Land Rent debt owed by the Brumbies to the Territory concerning the purchase of the Canberra South Bowling and Recreation Club (CSBRC).
- In-principle agreement was provided on the basis that the activities to be conducted on the site by the Brumbies would also provide a broader community and/or economic benefit. The former Treasurer wrote to Mr Barr advising him of his decision, as well as stipulating the conditions upon which final agreement was contingent (see Attachment A).
- On 10 March 2009, Treasury provided a briefing to you advising that none of the conditions of the original in-principle agreement to waive the debts had been met to date, and you wrote to Minister Barr on 10 March 2009 requesting his advice on this matter (see Attachment B).
- Mr Barr replied on 24 March 2009 (Attachment C refers) to indicate that:
 - it would appear that the conditions associated with this in-principle waiver have never clearly been communicated to the Brumbies; and
 - in his view the requirements of the in-principle agreement to waive the debts had essentially been met as the Brumbies had provided more recent information for another assistance package due to a major sponsor going into administration just before the 2009 Super 14 season commenced.
- However, Treasury considers that it was a fundamental requirement of the in-principle waiver agreement that the Brumbies would need to provide some indication of the expected broader community and economic benefits.
- Subsequent to receiving Mr Barr's letter dated 24 March 2009, Treasury has been liaising direct with the Brumbies in order to try and resolve this matter.
 - Treasury understands that Mr Stanhope's original letter explaining the terms of the in-principle agreement was overlooked.

Contact: **Peter Micalos**

Financial Analyst

Ext: 50590

File No:

COMMERCIAL-IN-CONFIDENCE

- On 3 July 2009, Mr Andrew Fagan, Chief Executive of the Brumbies, provided an outline of the anticipated community benefits to be derived from the Brumbies acquisition of the CSBRC site (Attachment D refers).
 - As the Brumbies are still in contract negotiations with developers and have yet to receive final planning approvals it was agreed that a detailed business case including expected costs would not be required in this instance.
- The basis upon which the Brumbies are seeking your approval to waive \$147,186.60 in Land Rent and \$144,353.95 in duty is summarised as follows:
 - The Brumbies are a not for profit organisation that plays a significant role in community.
 - The waiver will assist the Brumbies to re-develop the existing CSBRC site and any relevant adjacent sites in order to provide additional revenue streams to support the long term viability of the Brumbies remaining in the ACT.
 - The Brumbies consider the proposed re-development will yield broader community benefits by expanding the range of services on offer in the immediate vicinity, that are largely directed towards promoting health, fitness and well being.
- The Brumbies waiver request is also consistent with the Government's election commitment to provide an additional \$265,000 to secure the Brumbies ongoing presence in the Territory. *// so this meets the commitment?*
- Therefore it is recommended that you agree to sign an instrument under subsection 131 (1)(a) of the *Financial Management Act 1996* (FMA) to waive \$147,186.60 in Land Rent and \$144,353.95 in Duty owed by the Brumbies to the Territory. (These amounts have been calculated as at 4 August 2009 as the debt owing changes on a daily basis).
- A waiver relating to an amount payable to the Territory does not need to be tabled in the Legislative Assembly. However, the waiver amount must be reported in the notes to the financial statements of the relevant department that relate to the year in which the right to payment was waived.

Recommendations:

It is recommended that you:

- agree to waive \$144,353.95 in duty and \$147,186.60 in land rent that will be owing by the Brumbies on 4 August 2009;
- sign the instruments at Attachments E and F, to formalise your agreement under the FMA;
- sign the letter to the Chief Executive of the Brumbies, Mr Andrew Fagan, at Attachment G, advising him of your decision; and
- sign the letter to Minister Barr, at Attachment H, advising him of your final agreement to waive the debts.

[REDACTED]
Tony Hays
A/g Director
Project and Budget Management Branch

27 July 2009

[REDACTED]
Noted / Approved / Not approved / Please discuss

Katy Gallagher MLA 11/8/2009



COPY

Jon Stanhope MLA

CHIEF MINISTER

TREASURER MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT

MINISTER FOR INDIGENOUS AFFAIRS MINISTER FOR THE ENVIRONMENT, WATER AND CLIMATE CHANGE

MINISTER FOR THE ARTS

MEMBER FOR GINNINDERRA

Mr Andrew Barr
Minister for Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr

Thank you for your recent letter in which you requested I waive debts owed by the Brumbies relating to Duty (approximately \$125,000) and Land Rent (approximately \$140,000) in the context of its operations concerning the Canberra South Bowling and Recreation Club (CSBRC).

I am advised that the proposed waivers will form part of a broader assistance package which is expected to be finalised by early 2009. However, I note that I have not been provided with any detailed analysis or a business case to justify the agreement to the waivers at this time.

Typically, an assessment of the broader community or economic benefit would be made through the development of a 'business case' put forward by the proponent or the responsible department. This may include detail on:

- the reasons for the proposed assistance;
- the features and scope of the proposed assistance;
- the options considered and the rationale for choosing the solution proposed;
- the proposal's conformity with existing policies, etc;
- the expected costs; and
- the anticipated outcomes and benefits.

I acknowledge that the Government has a long standing history of providing assistance to the Brumbies, through Performance Fee payments, National League team funding and through capital projects such as the Griffith Oval fence. I also acknowledge that the Brumbies play a significant role in Canberra's sporting identity.

However, I think it appropriate that any further assistance, particularly through a waiver, be made conditional on the receipt of a suitable business case. This process need not be onerous but will ensure that any decision is made with full knowledge of the potential broader benefits to the community.

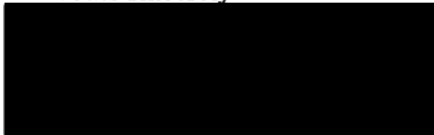
ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0104 Fax (02) 6205 0433 Email stanhope@act.gov.au

At this time then, I propose to provide my in-principle agreement to waive the debts subject to the conditions outlined above.

I look forward to receiving that information in due course.

Yours sincerely



Jon Stanhope MLA
Treasurer

11/9/08



COPY

Katy Gallagher MLA
DEPUTY CHIEF MINISTER
TREASURER
MINISTER FOR HEALTH
MINISTER FOR COMMUNITY SERVICES
MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Barr MLA
Minister for Tourism, Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr

Andrew

??

I am writing with regard to a decision of the former Treasurer whereby he provided in-principle agreement to waive a debt owed to the Territory by the Brumbies, arising from the acquisition of the Canberra South Bowling and Recreation Club (CSBRC).

In providing his in-principle agreement, the former Treasurer attached a number of conditions upon which his final agreement would be contingent. I have attached the former Treasurer's letter to you for reference.

The former Treasurer requested a business case, developed by the proponent or the responsible department, that demonstrates the broader community and/or economic benefit of waiving the respective amounts. The business case was to include the following items:

- the reasons for the proposed assistance;
- the features and scope of the proposed assistance;
- the options considered and the rationale for choosing the solution proposed;
- the proposal's conformity with existing policies etc;
- the expected costs; and
- the anticipated outcomes and benefits.

Treasury has advised me that recent inquiries to your department indicate that no progress had been made in fulfilling the above conditions to date.

I would like to emphasise that the Government has provided significant assistance to the Brumbies, as you would be aware, and any form of assistance, whether it be through a grant or a waiver or an alternative mechanism, represents a call on taxpayer funded resources. I note that appropriate accountability requirements necessitate a formal response from the proponent or your department.

ACT LEGISLATIVE ASSEMBLY

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COMMERCIAL-IN-CONFIDENCE

COMMERCIAL-IN -CONFIDENCE

I should clarify that although the in-principle decision by the former Treasurer was reflected in the 2008-09 2nd Appropriation, final authorisation is still required from me under section 131 of the *Financial Management Act 1996* to provide the waiver.

I am concerned that the Brumbies may have already been advised of the agreement to waive the debts without emphasising that final agreement will still be pending upon receipt of the appropriate undertakings.

I would appreciate your urgent advice on the issues I have raised.

Yours sincerely



Katy Gallagher MLA

Treasurer

10-3-09

COMMERCIAL-IN -CONFIDENCE



BRUMBIES PROPERTY ACQUISITION / FACILITY DEVELOPMENT

- COMMUNITY BENEFIT

The acquisition of the Austin Street property on which the Brumbies have been a tenant for the last 8 years will generate significantly community benefit through the enhancement and expansion of the Brumbies community rugby programs and through supporting the Brumbies efforts to market in-bound sporting and educational tours.

Further facility development on the site provides the opportunity for development of not only additional and enhanced Brumbies specific facilities but also a range of facilities and services that would benefit the broader community. A significant amount of planning and scoping work has been completed to date with a view to submitting the relevant development applications later this year.

The nature of the planned facilities includes the following:

1. Sports Medicine and Sports Physiotherapy Practice

The Brumbies currently employ fulltime staff to service the medical requirements and provide the necessary physiotherapy and massage services for the elite rugby players. The acquisition of the site will allow the establishment of a Sports Medicine and Sports Physiotherapy practice on the site that would both service the needs of the elite athletes but also provide services to the general public on a standard commercial basis. There are extremely limited services of this nature in this area and it provides the opportunity for the public to be serviced by the same doctors and physiotherapists that care for the Brumbies.

2. Commercial Fitness Centre and Health Spa

Existing plans propose the establishment of a Health and Fitness Centre, including a commercial gymnasium. Whilst providing some supplementary benefit to the Brumbies the primary beneficiaries will be the community residents and/or those working in the local area who will be able to access the facilities of a premium fitness centre and the associated services (health spa, personal training etc).

3. Child care facility

The upgrade and improvement to Griffith Oval will also facilitate and support the establishment of a child care centre (proposed to accommodate 118 children). Demand for childcare services are significant in Canberra and this would assist in meeting the requirements of the local community.

4. Multi-sports training facility

The establishment of the commercial gymnasium adjacent to the Brumbies training pitch and the adjoining Griffith Oval No.2 will also provide an alternative training base for other sporting clubs and teams from both Canberra, interstate and overseas that may wish to use the facility as a base for training camps, competitions etc. Access to sports medicine and physiotherapy services will further enhance the appeal of the site. The Brumbies will actively market the facility to interstate and overseas teams and clubs, primarily in the sport of rugby but also extending to other sporting codes where appropriate. This will provide important economic return to Canberra as a result of the inbound tourism benefits.



COMMERCIAL-IN-CONFIDENCE

The acquisition of the site will also generate significantly community benefit through the enhancement and expansion of the Brumbies community rugby programs. Some of these programs and the associated benefit is outlined below.

1. Community Rugby Education Programs

Through the provision of improved conference facilities, the Brumbies will be able to deliver community rugby education programs in a more professional learning environment and provide for the inclusion of increased numbers of coach and match officials.

The Brumbies Rugby Education Program provides opportunities for coaches and match officials to improve their knowledge and skills while gaining the necessary accreditations too be safely and effectively involved in rugby at a community level. This includes the internationally recognised safety program Smart Rugby, the newly developed Coaching and Refereeing Kids Rugby course as well as Foundation and Level 2 courses and Advanced Coaching Seminars. We expect that with the development of our facilities we will be able to increase delivery from 500 to in excess of 750 coaches and match officials annually.

2. Community Rugby Recruitment Programs

The improvement and expansion of the Brumbies facilities will enable centralisation of the existing community rugby recruitment programs and the provision of a safer and more enjoyable sporting experience.

The community rugby recruitment programs focus on providing a safe and enjoyable rugby experience to students in the local community. The Brumbies Rugby community rugby development staff presently coordinate numerous sampling opportunities to primary schools, high schools and colleges in Canberra. These include Primary School "Gala Days" and the Brumbies 10's competitions as well as more regular rugby competitions such as the Brumbies Rugby Shield and Stephen Larkham Shield. On average a total of 3000 students aged 6-17 participate annually in the scheduled opportunities.

3. Community Rugby Retention Programs

The provision of improved and developed training facilities will deliver a safer and more enjoyable experience for the junior players who are annually involved in the Brumbies community rugby retention programs. Community Rugby Retention programs such as school holiday clinics are designed to improve the skill level of existing players and encourage participation from new players. Importantly these programs enable our local juniors (and their parents) to connect with their Brumbies heroes while learning new skills and building friendships that will foster there continued involvement in rugby.

The new facilities will enable these programs to grow to provide opportunities to in excess of 500 children each year (an increase of 100 children per year).

4. Talent Identification Programs

The Brumbies Talent Centre program involves the identification of 60 talented players aged 15-17 from the local community. Coordinated by Brumbies staff the program provides regular conditioning and skills sessions to selected players from November to March each year. Improved and expanded facilities will provide greater access to existing athletes while guaranteeing increased numbers for future years. It will also enable the more professional servicing of these athletes. We hope to increase this program to 100 talented players each year over the next few years as the facilities develop.



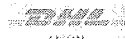
5. Junior and Senior Representative Programs

The local junior and senior representative programs will benefit considerably from upgraded facilities. Improvements would allow players greater access to a first class gymnasium and training field while coaches could access state of the art conference facilities and analysis resources. This fully serviced and comprehensive rugby experience would be hugely beneficial to performance for aspiring and talented community rugby players.

6. International Tours and Camps Program

The Brumbies regularly receive expressions of interests from schools, universities and professional sporting teams across the world (most regularly from Asia, Argentina and the UK) regarding potential development tours to Canberra in which they would play games against suitably qualified teams and receiving expert coaching advice and support from Brumbies coaching staff. In the past, we have been limited by our ability to adequately service the demands of these teams due to a lack of adequate facilities and teams have most often chosen to tour elsewhere. The acquisition of the Brumbies site and subsequent development of facilities will enable the Brumbies to actively market this opportunity to targeted clubs and rugby schools around the world. This provides unique playing opportunity to Canberra players while also providing economic benefit to Canberra as a result of the inbound tourism. The Brumbies would target one-two inbound camps a year (comprising 30-60 people staying for a period of 5-10 days).

Andrew Fagan
Chief Executive
Brumbies Rugby



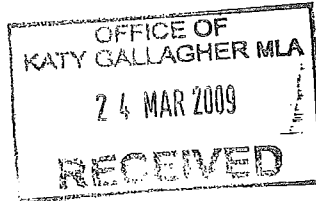


Andrew Barr MLA

MINISTER FOR EDUCATION AND TRAINING
MINISTER FOR CHILDREN AND YOUNG PEOPLE
MINISTER FOR PLANNING
MINISTER FOR TOURISM, SPORT AND RECREATION

MEMBER FOR MOLONGLO

Ms Katy Gallagher MLA
Treasurer
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601



*for urgent response
24/3/09*

Dear Ms ~~Gallagher~~ ^{Katy}

Thank you for your letter of 11 March 2009 regarding the former Treasurer's in-principle agreement to the waiver of debt associated with the Brumbies acquisition of the Canberra South Bowling Club and the associated conditions attached to this agreement.

It would appear that the conditions associated with this in-principle waiver have never clearly been articulated to the Brumbies.

On 20 January 2009 the Brumbies wrote to the Government requesting additional financial support due to the demise of one of their major sponsors, ISC. Following extensive analysis by Treasury of the Brumbies business model and financial position you agreed to offer a support package to the Brumbies. This package was conditional upon the Brumbies agreeing to a revised Performance Fee Agreement (PFA) that would:

- ensure that the Brumbies undertake enhanced promotional activities during 2009 in support of local tourism, sporting and community events;
- provide for the repayable loan to be netted off against current and future funding through PFAs over a period of up to five years; and
- ensure that the Territory receives regular financial reports (at least quarterly), with sufficient detail to gauge the effectiveness of the Government's assistance package on the Brumbies financial position.

As a pre-requisite for Territory consideration of this additional assistance package, the Brumbies allowed Treasury officials to examine their business extensively and provided Treasury with a detailed business case.

While the Brumbies have not been provided with any opportunity to specifically address the conditions associated with a fee waiver, I believe that their cooperation in this more recent matter, including the submission of a business case and the reporting requirements to be put in place around this additional support in the context of revised PFA, qualifies the Brumbies to have met these initial conditions outlined by the former Treasurer.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601


Phone (02) 6205 0011 Fax (02) 6205 0157 Email barr@act.gov.au

I now seek your agreement that the conditions of the Treasurer's letter of 11 September 2008 have been fulfilled, thus allowing the waiving of fees to proceed.

If you agree with this position, the Brumbies will require an unconditional letter of waiver so they may lodge their transfer documents as soon as possible. The letter can be directly sent to the Brumbies at the following address: Mr Andrew Fagan, CEO, ACT and Southern NSW Rugby Union Limited, PO Box 3865, Manuka, ACT, 2603.

Thank you for raising this matter with me. I trust that this information is of assistance.

Yours sincerely


Andrew Barr MLA
Minister for Tourism, Sport and Recreation

7 6 MAR 2009



AUSTRALIAN
CAPITAL TERRITORY

AUSTRALIAN CAPITAL TERRITORY

Financial Management Act 1996

Instrument of Waiver under subsection 131 (1)(a)

I, Katy Gallagher, Treasurer, do hereby exercise my authority under subsection 131 (1)(a) of the *Financial Management Act 1996*, to waive \$144,429.25 in Duty and associated accumulated interest owed to the Territory by the Brumbies, arising from the purchase of the Canberra South Bowling and Recreation Club (Block 15, Section 42, Griffith).

Signed on 6 August 2009

Katy Gallagher MLA
Treasurer



AUSTRALIAN
CAPITAL TERRITORY

AUSTRALIAN CAPITAL TERRITORY

Financial Management Act 1996

Instrument of Waiver under subsection 131 (1)(a)

I, Katy Gallagher, Treasurer, do hereby exercise my authority under subsection 131 (1)(a) of the *Financial Management Act 1996*, to waive \$147,234.95 in Land Rent and associated accumulated interest owed to the Territory by the Brumbies, arising from the purchase of the Canberra South Bowling and Recreation Club (Block 15, Section 42, Griffith).

Signed on 6 August 2009

Katy Gallagher MLA
Treasurer



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR COMMUNITY SERVICES

MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Fagan
Chief Executive
Brumbies Rugby
MANUKA ACT 2603

Dear Mr Fagan

I am pleased to advise that I have agreed to your request to waive the land rent and duty owed by the Brumbies relating to the acquisition of the Canberra South Bowling and Recreation Club.

Please find attached copies of the signed instruments authorising the waiver of \$147,234.95 in land rent and \$144,429.25 in duty as owed by the Brumbies to the Territory on 4 August 2009.

I wish the Brumbies all the best in their future endeavours.

Yours sincerely

Katy Gallagher MLA
Treasurer

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Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR COMMUNITY SERVICES

MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Barr MLA
Minister for Tourism, Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr

Thank you for your letter of 24 March 2009 regarding the former Treasurer's in-principle agreement to waive Duty and Land Rent debts owed by the Brumbies to the Territory concerning the acquisition of the Canberra South Bowling and Recreation Club.

Since receiving your letter, Treasury has been liaising direct with the Brumbies to obtain the necessary supporting information in keeping with Mr Stanhope's original in-principle agreement.

I am now satisfied that the Brumbies have complied with the terms of the in-principle agreement based on the additional supporting information that the Brumbies have recently made available involving their plans for the redevelopment of the Canberra South Bowling and Recreation Club site.

I have attached for your information a copy of my formal authorisation to waive \$147,234.95 in land rent and \$144,429.25 in duty owed by the Brumbies to the Territory, together with a copy of my covering letter to the Chief Executive Officer of the Brumbies, Mr Andrew Fagan.

Yours sincerely

Katy Gallagher MLA
Treasurer

ACT LEGISLATIVE ASSEMBLY

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Phone (02) 6205 0840 Fax (02) 6205 3030 Email gallagher@act.gov.au

Department of Treasury
CLEARANCE AND ASSESSMENT



TSY-BOA/1002

Subject: Brumbies Assistance Supplementary Advice	
Under Treasurer: [REDACTED]	Date: 7.02.09
Executive Director: [REDACTED]	Date: 6/6/9
Contact Officer: Peter Micalos	Ext:50590

This section to be completed by the Treasurer's Office (Please tick)	Unsatisfactory	Satisfactory	Very Good	Excellent
Timeliness				
Relevance / Content				
Presentation				
Completed by:	Date:			

DEPARTMENT OF TREASURY
MINUTE



To: Treasurer

Subject: **Brumbies Assistance – Waiver of Duty and Land Rent debts relating to the Canberra South Bowling and Recreation Club (CSBRC)**

Timing: **Urgent** — Your agreement is sought effective on Friday, 7 August 2009.

Purpose: To provide you with supplementary information relating to the request for a waiver of duty and land rent owed by the Brumbies to the Territory.

Key Points:

- As previously advised and before the previous election, the former Treasurer provided in-principle agreement to waive the duty and land rent owed by the Brumbies on the basis that the development proposal would provide broader community and/or economic benefit.
- The Brumbies' development plans are conceptually well advanced and preliminary discussions were held with ACTPLA at the start of this week.
- Although final costings are yet to be confirmed and are dependant on final planning approvals and terms to be agreed with potential development partners, Treasury considers that the Brumbies have provided sufficient information about the associated economic and community benefits.

The proposal's conformity with existing policies

- The Brumbies' waiver request is consistent with the Government's stated policy objective of retaining a national league presence in the ACT and is also in keeping with the election commitment to "provide the Brumbies with an additional \$265,000 to secure their ongoing presence in the nation's capital".

The reasons for the proposed assistance

- The Brumbies consider that the establishment of a modern training and player management complex is integral part of their future ability to recruit and retain players in order to succeed in the Super 14 competition. From 2011, the competition will be expanded to the Super 15 - which will provide at least two additional games during the regular season.
- The provision of the waiver will assist the Brumbies to move forward with their broader re-development plans for the site which is anticipated to also yield an additional revenue base to improve its long term viability.
- It will also potentially strengthen links with the neighbouring community and generate broader community benefits through the provision of a range of potential new facilities, including limited residential accommodation, a sports medicine and sports physiotherapy practice, commercial fitness centre and health spa, child care facility, as well as the capacity to conduct a range of rugby specific programs.

Contact: **Peter Micalos** Financial Analyst Ext: 50590 File No:

- According to the Brumbies the indirect economic benefit to the Territory has been assessed by the University of Canberra in a 'Tourism and Economic Assessment of the Brumbies' to be in the order of \$18 million per annum. However, Treasury has not seen that report and cannot verify the figures put forward.
 - Notwithstanding this view, retention of the Brumbies operation in the ACT would have indirect economic benefits derived from its activities and the re-development of the Griffith site.
- While the benefits of much of this will undoubtedly return to the club, it will also potentially underpin the longer term viability of the club. This longer term viability coincides with the Government's National League Team goal.


• **Recommendations:**

It is recommended that you:

- note the above;
- agree to waive \$144,466.90 in duty and \$147,259.13 in land rent that will be owing by the Brumbies on 7 August 2009;
- sign the instruments at Attachments A and B, to formalise your agreement in accordance with subsection 131 (1) (a) of the *Financial Management Act 1996*;
- sign the letter to the Chief Executive of the Brumbies, Mr Andrew Fagan, at Attachment C, advising him of your decision; and
- sign the letter to Minister Barr, at Attachment D, advising him of your final agreement to waive the debts.


 Glenn Bain
 A/g Director
 Project and Budget Management Branch

7 August 2009


 Noted / Approved / Not approved / Please discuss
 Katy Gallagher MLA 7 / 8 / 2009

COPY



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR COMMUNITY SERVICES

MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Fagan
Chief Executive
Brumbies Rugby
MANUKA ACT 2603

Dear Mr Fagan

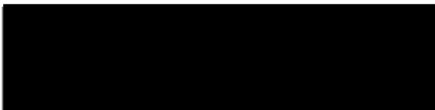
I am pleased to advise that I have agreed to your request to waive the land rent and duty owed by the Brumbies relating to the acquisition of the Canberra South Bowling and Recreation Club.

This agreement is consistent with the Government's commitment made in the 2008 election to provide the Brumbies with additional funding to secure its ongoing presence in the nation's capital. I note the advice provided by you over recent months regarding the Brumbies' re-development plans for the Griffith site and the broader community benefits that will accrue from those activities.

Please find attached copies of the signed instruments authorising the waiver of \$147,259.13 in land rent and \$144,466.90 in duty as owed by the Brumbies to the Territory on 7 August 2009.

I wish the Brumbies all the best in their future endeavours.

Yours sincerely


Katy Gallagher MLA
Treasurer
- 7 AUG 2009

ACT LEGISLATIVE ASSEMBLY

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Phone (02) 6205 0840 Fax (02) 6205 3030 Email gallagher@act.gov.au

COPY



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

TREASURER

MINISTER FOR HEALTH

MINISTER FOR COMMUNITY SERVICES

MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

Mr Andrew Barr MLA
Minister for Tourism, Sport and Recreation
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Barr *Andrew*

Thank you for your letter of 24 March 2009 regarding the former Treasurer's in-principle agreement to waive Duty and Land Rent debts owed by the Brumbies to the Territory concerning the acquisition of the Canberra South Bowling and Recreation Club.

Since receiving your letter, Treasury has been liaising directly with the Brumbies to obtain the necessary supporting information, in keeping with Mr Stanhope's original in-principle agreement.

I am now satisfied that the Brumbies have complied with the terms of the in-principle agreement based on the additional supporting information that the Brumbies have recently made available involving their plans for the re-development of the Canberra South Bowling and Recreation Club site. I also note that the provision of the waivers is consistent with the Government's election commitment to provide the Brumbies with additional funding to secure their ongoing presence in the nation's capital.

I have attached for your information a copy of my formal authorisation to waive \$147,259.13 in land rent and \$144,466.90 in duty owed by the Brumbies to the Territory, together with a copy of my covering letter to the Chief Executive Officer of the Brumbies, Mr Andrew Fagan.

Yours sincerely

Katy Gallagher MLA
Treasurer

- 7 AUG 2009

ACT LEGISLATIVE ASSEMBLY

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AUSTRALIAN CAPITAL TERRITORY

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I, Katy Gallagher, Treasurer, do hereby exercise my authority under subsection 131 (1)(a) of the *Financial Management Act 1996*, to waive \$144,466.90 in Duty and associated accumulated interest owed to the Territory by the Brumbies, arising from the purchase of the Canberra South Bowling and Recreation Club (Block 15, Section 42, Griffith).

Signed on 7 August 2009



Katy Gallagher MLA
Treasurer



AUSTRALIAN
CAPITAL TERRITORY


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Signed on 7 August 2009


Katy Gallagher MLA
Treasurer