



Office of
SENATOR THE HON NICK MINCHIN
Minister for Finance and Administration
Deputy Leader of the Government in the Senate

Mr Geoff Brown
ADI Residents Action Group
PO Box 4134
WERRINGTON NSW 2747

24 MAR 2004

Dear Mr Brown

Thank you for your letter of 24 February 2004 to the Minister for Finance and Administration, Senator the Hon Nick Minchin, concerning the sale of ComLand Limited. The Minister has asked me to reply on his behalf.

As you are aware, the Australian Government announced the sale of ComLand to its joint venture partner, Lend Lease, on 22 January 2004 for \$165 million.

The ComLand scoping study, which was completed in March 2003, concluded that the Government could not conduct an effective tender process with Lend Lease participating as a bidder alongside other tenderers because of its existing involvement in ComLand's joint venture projects at St Marys and Maribyrnong (Edgewater). It accordingly recommended that Lend Lease should first be given the opportunity to bid for ComLand. In this context, it was to be given one and only one opportunity to bid, with its bid to be assessed against an independent benchmark valuation.

The independent valuation of ComLand was undertaken by the experienced property valuation firm, Rogers Milne, using standard property valuation methodologies. Rogers Milne concluded that the value of ComLand's interests in the St Marys and Edgewater sites was in the range \$145 million to \$168 million. Against this valuation, the Government considers the sale price represents a very good outcome for taxpayers.

After allowing for the repayment of ComLand debt, approximately 70 per cent of the value is attributable to the St Marys site.

The development of Central Park at St Marys is an initiative of the Australian Government. While it is intended the Park will be compatible with currently approved uses of the land in question it is, of course, still subject to stakeholder consultation and planning approval. A transcript of the Prime Minister's announcement is published on his website, www.pm.gov.au.

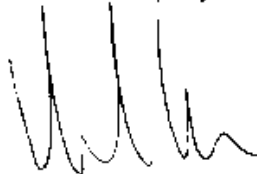
The 100 hectare Central Park site is in addition to the land previously reserved on the Register of the National Estate, bringing the total area reserved for parkland at the site to approximately 950 hectares. The Government considers that this outcome represents a good balance between conservation of the national heritage and meeting the housing needs of local residents.

The sale of land to the Catholic Education Office for the construction of Xavier College was conducted by ComLand and Maryland Development Company Pty Limited. While the Government was not directly involved in the sale, I understand that the land was sold at market price.

Finally, you will be aware that your Group has previously sought access to the 1994 Joint Venture Agreement and that this has been denied, as was the Group's appeal to the Administrative Appeals Tribunal. The Tribunal's reasons for decision can be obtained from its website, www.aat.gov.au. The reasons for not providing this Agreement remain valid and accordingly I am unable to provide details of the Agreement to you.

Thank you for bringing your views to the Minister's attention.

Yours sincerely



David Wawn
Chief of Staff