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NSW Upper House Inquiry into TfNSW Land Acquisitions: Tuesday 15 June 2021
Billbergia opening statement

Introduction:

Thank you chair and members for inviting us to appear and share information about the acquisition and sale of 4-6 Grand Avenue, Camellia. As you may be aware, there has been media reporting on the acquisition and sale of this site, and much of what has been written and broadcast conveys an incorrect impression and omits relevant facts. Consequently, we welcome the opportunity to provide the facts of what actually took place.

Firstly – a bit about us. Billbergia is a family-owned Australian property group which has been operating for more than 33 years.

We are a vertically integrated property business across the full spectrum of the property lifecycle. Our mission isn't to just build buildings - we create entire communities with a healthy, sustainable lifestyle and vibrant areas for social interaction.

More than 25,000 people currently live in Billbergia communities and a further 25,000 people will move into our new communities over the next 15 years.

We have a diverse property portfolio across high-quality residential, retail, industrial, commercial and hospitality in NSW and QLD. These investments are located at Wentworth Point, Rhodes, Rhodes East, North Sydney, Lidcombe, West Ryde, Arncliffe, Camellia, Concord West, St Leonards, and Brisbane.

Billbergia specialises in urban renewal, transforming brown-field sites into sustainable, integrated communities and delivering social and transport infrastructure.

This includes the provision of privately-funded, publicly accessible social infrastructure with access to transport, shopping, public open spaces and community facilities.

As an example, we planned, funded and built the Bennelong Bridge - a public transport bridge - which spans Homebush Bay between Rhodes and Wentworth Point with ownership of the asset subsequently transferred to Government. We also fund the Baylink Shuttle Bus service linking these communities to rail and ferry services. Many of our major property projects have been recognised for excellence with state and national awards for their planning, design, construction, and leadership in delivering integrated community precincts – more than 20 Awards in the past 7 years.

In Camellia:

For a decade and a half, Billbergia has been a strategic long-term landowner in Camellia. We currently hold multiple parcels of land totalling almost 20 hectares, not including the 6 hectares site at 4-6 Grand Avenue now owned by TfNSW. We intend to continue creating jobs and housing in Camellia for at least the next 2 decades.

Our purchase at 4-6 Grand Avenue, Camellia in 2015, was part of our ongoing long-term strategy for urban renewal of the precinct.

In January 2015 we made a direct approach to its long-term owners, Akzo Nobel to acquire the land and to invest in new industrial buildings. We were informed 3 months later, in March 2015, by CBRE that they were running a 'Registration of Interest' campaign on behalf of Akzo Nobel to sell the site.

Following a three-stage competitive public tender process, we were finally able to sign unconditional contracts to purchase the land 8 months later in November 2015.

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At this point, I would like to make two important points to this committee:

1. At no stage in the 10 months we sought to purchase the land and when Billbergia exchanged contracts for the purchase of the site in November 2015, were we aware that TfNSW was interested in the site for any purpose.

The draft preferred network for the Parramatta Light Rail was not released for initial stakeholder consultation until 8 December 2015, when former Premier Mike Baird announced work would commence on a final business case and detailed planning. Significantly, his announcement *did not include a detailed route nor identify any proposed stops* and there was no indication TfNSW may have been interested in acquiring the site.

It was not until February 2017, that Premier Berejiklian unveiled the detailed route and announced the proposed locations of the 16 Parramatta Light Rail stops. This was 2 years after we took steps to acquire the land and 8 months after TfNSW had purchased the site from us.

2. The second point I would like to make is we were and remain, a *very reluctant seller*. We had already spent money on environmental assessments and we had negotiated with Lion Nathan culminating in the signing of detailed heads of agreement, including concept design, in early March 2016.

We were close to executing a long-term commercial lease with them for construction of new facilities on site for their major distribution centre. Furthermore, we had several additional prospective tenants interested in leasing facilities on the site once it was redeveloped for employment uses including Computertrans, Downer EDI and Fastway Couriers. *We still were unaware of any TfNSW interest in the site.*

In fact, when first approached by agents CBRE in the middle of March 2016, acting on behalf of TfNSW, we asked them to look elsewhere for land. But when informed they could compulsorily acquire the land we had to move quickly owing to our commercial relationships with Lion Nathan and the other prospective tenants.

The price paid by TfNSW was \$53.5 million and from our side of the transaction, it covered or partly covered three components:

- the price paid by Billbergia for the site,
- the costs expended by Billbergia over the 18-month period since January 2015, and
- partial consideration of the value of Billbergia's lease revenue forgone from the proposed redevelopment of the site because of the sale.

We were and remain, a *very reluctant seller* and lost a 30-year asset.

In Conclusion:

Chair and members of the committee I would like to conclude by saying that when Minister Constance first announced the referral of the purchase of the site by TfNSW to the Auditor-General and the Independent Commission Against Corruption, we immediately wrote to both agencies and have publicly and privately made it clear we welcome any investigation of the transaction.

We have and will continue to fully-cooperate with any inquiry or investigation deemed necessary. Furthermore, we are more than willing to provide all relevant information and answer any questions the committee may have.

Billbergia is not only proud of its track record, but also our history and reputation for absolute integrity in everything we do.

Thank you.

Statement by Rick Graf on behalf of Billbergia Group - 15 June 2021