

## Simon Draper

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**From:** Simon Draper  
**Sent:** Thursday, 1 August 2019 6:35 PM  
**To:** Armine Nalbandian; Tim Reardon; Amy Brown  
**Cc:** Benjamin Rooke  
**Subject:** FW: 20190801\_BN to NSW Premier re Central Barangaroo\_Grocon\_Aqualand  
**Attachments:** 20190801\_BN to NSW Premier re Central Barangaroo\_Grocon\_Aqualand.pdf

Armine / Tim / Amy

Earlier today we had a briefing from our Barangaroo team, which I have discussed already with Tim. We have attached short brief to the Premier that Tim might get an opportunity to discuss with her, but in any case, we should get it to her with a DPC cover asap.

Simon

## Briefing Note

TO:	Hon Gladys Berejiklian, MP Premier	FROM:	Simon Draper CEO
DATE:	1 August 2019		
SUBJECT:	Central Barangaroo Development Rights Transfer from Grocon to Aqualand Update		
ACTION:	<input checked="" type="checkbox"/> For Information	<input type="checkbox"/> For Decision	<input type="checkbox"/> Letter for signature
PRIORITY:	<input checked="" type="checkbox"/> Urgent	<input type="checkbox"/> Routine	

### Purpose

To provide the Premier with an update on the transfer of development rights from Grocon to Aqualand for the Central Barangaroo Development.

### Recommendation

**Note** the request from parties associated with Central Barangaroo that they intend to pursue a course of action that will transfer the development rights for Central Barangaroo from Grocon to Aqualand.

**Note** that the parties associated with Central Barangaroo have sought a confirmation that INSW will not enforce or rely on a Grocon Guarantor after the Grocon development entity has left the project.

**Note** that prior to INSW agreeing to the request for waiver, INSW proposes to ask for the provision of a release from all current or future claims from Grocon. INSW will act in consultation with the DPC Secretary to resolve the matter if the parties refuse INSW's request.

### Current position

Further to the Briefing Note provided to the Premier on 29 April 2019, INSW has received advice from parties involved in the Central Barangaroo Development, Grocon, Aqualand, and Oxford Properties, regarding the transfer of development rights from Grocon to Aqualand.

The proposed action involves Aqualand stepping into the development rights following a default event under the Central Barangaroo Development Agreement by Grocon (CENDA).

The action, as it is currently structured, does not require the consent of INSW to proceed.

In the event that Aqualand were to step into the development rights, the Grocon Guarantor which guarantees the performance of Grocon as the lead developer, would remain, in addition to the introduction of an Aqualand Guarantor. In the event of a future default by the Grocon Guarantor, this would trigger a default of the development rights under the CENDA – and therefore Aqualand as the developer.

The parties have sought confirmation from INSW that it will not rely on, enforce or otherwise exercise any rights against the step-in party (Aqualand) in relation to a default by the General Guarantor (Grocon).

INSW is inclined to support issuing a waiver as requested, as it has no material value above the installation of a new guarantor should Aqualand step in. However, prior to considering the proposal, INSW proposes to ask that Grocon issue a release for any current or future claims against INSW. Grocon has previously advised that it may pursue an undefined claim against INSW in relation to Central Barangaroo.

The release from future claims from Grocon, and the transfer of development rights from Grocon to Aqualand would ensure that Central Barangaroo can proceed in an expedited manner.

INSW will work in consultation with the DPC Secretary in resolving the request of the parties.

**Simon Draper**  
Chief Executive Officer