

**Submission  
No 3**

**INQUIRY INTO SALE OF THE CURRAWONG PROPERTY  
AT PITTWATER**

**Name:** Mr Eduard Litver

**Date received:** 30/04/2014

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30<sup>th</sup> April 2014

BY EMAIL: currawong@parliament.nsw.gov.au

The Honourable Robert Brown  
MLC Committee Chair Legislative Council Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Sir

RE: ENQUIRY TO THE SALE OF THE CURRAWONG PROPERTY AT PITTWATER

I refer to your letter of 11 April 2014 inviting me to make a submission to the enquiry.

I advise that the only submission that I am in a position to make is limited to the sale by Eco Villages Australia Pty Limited (a company of which I was a Director) to the Land and Property Management Authority.

In this regard, I enclose a copy of the report by ICAC submitted by the Commissioner, the Honourable David Ipp, to the President of the Legislative Council and the Speaker of the Legislative Assembly in or around December 2011 and in particular, I refer you to the matters set out on page 11 of the said report.

Yours faithfully

eduardlitver

## Negotiations between Mr Linz and Mr Watkins

Negotiations between Mr Watkins and Mr Linz commenced shortly after Eco Villages completed its purchase of the site. Mr Watkins first spoke to Mr Linz on 14 or 17 February 2011. Mr Linz said he would sell the Currawong site for \$20 million. Mr Watkins said he was prepared to pay between \$11 million and \$12 million only, and the conversation ended.

Mr Linz later contacted Mr Watkins on 9 March 2011, and asked if the government was still interested in purchasing the Currawong site. Mr Linz said there was a very small time window in which to agree, as otherwise he had to commence expensive preparations for the hearing in the Land and Environment Court.

Mr Linz told the Commission that he and his partner made a commercial decision to contact Mr Watkins prior to “pushing the button” on the preparation of the appeal. An appeal would involve Eco Villages in considerable expense in legal advice and representation and consulting fees, which he estimated as being at least \$1 million.

On 10 March 2011, a verbal agreement was reached between Mr Linz for Eco Villages and Mr Watkins on behalf of the state to purchase the property for \$12.2 million. Contracts were subsequently prepared and exchanged on 15 March 2011.

The evidence demonstrates that the negotiations between Mr Linz and Mr Watkins occurred on a proper commercial basis. The price agreed was the result of arm's length negotiations between Mr Watkins and Mr Linz, with commercial considerations being determinative. Information provided by Eco Villages showed that it actually incurred a loss of \$2,227,252.64 in its acquisition and sale of the Currawong site. This calculation has regard to its land costs, development costs and the fees to settle its contractual dispute with Unions NSW.

There was no evidence that the purchase of the Currawong site by the NSW Government resulted in any corrupt benefit to any persons or that the price paid by the government for the site was unreasonable.