

INQUIRY INTO ACQUISITION OF LAND IN RELATION TO MAJOR TRANSPORT PROJECTS

Organisation: Bradcorp Holding Pty Ltd

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The Secretariat

NSW Legislative Council Portfolio Committee No. 6

Transport and Customer Service

Via email: PortfolioCommittee6@parliament.nsw.gov.au

Dear Secretariat,

Inquiry into Acquisition of land in relation to major transport projects

Bradcorp is pleased to have the opportunity to make a submission to this Inquiry and we do so specifically in relation to:

Term of Reference 1(b)(vi): Land for the North Wilton estate acquired by Landcom

As the vendor of the North Wilton estate, Bradcorp has been mentioned in Parliamentary debate, hearings and the media in a manner which has failed to appropriately reflect the long history, facts and commerciality of the project. This submission seeks to better inform public discussion on the matter.

NORTH WILTON – THE VISION

North Wilton is the largest part of the Wilton Growth area which comprises several stages. On completion Wilton will be the first master planned town in NSW in over 100 years and home to 50,000 residents.

The first stage, Bingara Gorge, received rezoning approval in 2005. It proceeded as a partnership of Bradcorp and Lendlease, followed subsequently by South East Wilton (Walker Corporation) and North Wilton in 2018.

North Wilton is around 30km south of Liverpool and has been envisaged a well-planned community with infrastructure delivered by the proponents up-front consistent with current NSW government policy.



Map showing location of Wilton (source Wollondilly Shire Council)

The North Wilton Precinct will be a self-contained garden city, delivering new homes with recreation and employment close to home.

The transformation of the 870-hectare site will include an entertainment and recreational activity hub centred around a multi-function lake, which will complement the beautiful natural setting located below the Razorback Range. There will be around 390 hectares of continuous green canopy surrounding the development, incorporating existing trees into a fauna corridor, streets and open space areas. This includes conservation of 360 hectares of native bushland.

Once complete, the North Wilton project will provide 5,600 new homes, new sporting fields, new schools, parks, cycleways, community facilities, and health care services. It will create jobs during construction as well as ongoing employment in the retail and commercial space that will be included within the development. Land has also been identified for a K-12 private school and a public-school site in the northern portion of the site.

The first Development Applications for Stage 1 have been lodged with Wollondilly Shire Council and, if approved, could see commencement in late 2021.



Overview of the North Willton precinct (source: Bradcorp)

WHO IS BRADCORP?

Bradcorp is a leading force in the development of high amenity residential communities that optimise liveability and sustainability. We transform localities in a way that enhances local pride and encourages community ownership, preserving character and the natural environment for current and future generations.

Led by Chairman Doug Ridley and CEO Peter Brennan AM, Bradcorp's strong executive leadership team comprises decades of experience in delivering new communities. Peter Brennan as CEO has also held a passionate interest in charitable and community support, and in 2021 was appointed Chair of the Western Sydney University Foundation Council.

Peter Brennan has led Bradcorp's development projects, focusing on creating unique living environments of enduring value to the community. Mr Brennan has over 30 years' experience in the housing industry, including senior roles prior to Bradcorp with Australia's largest homebuilder, AV Jennings.

Mr Brennan has also served as President of the NSW Housing Industry Association. He has been a long-time supporter of the community and an advocate of social and corporate responsibility reflected through the Bradcorp Community Partnership Fund that has donated over \$3.7 million to the Macarthur region.

In 2010, he was made a Member of the Order of Australia for service to the community of the Macarthur region through a range of health, educational and social welfare organisations and to the housing industry.

Bradcorp has a history of working collaboratively and constructively with all stakeholders that have an interest in projects. Over the past 30 years, Bradcorp has worked cohesively with both local and State governments - with agency officials and with elected representatives.

PLANNING HISTORY OF NORTH WILTON

Bradcorp's interest in North Wilton followed decades of successive NSW Governments identifying Wilton as an area for future housing.

Wilton has been recognised as a strategic development location since the 1970's in NSW Government planning documents in the *Macarthur Growth Centre* and *Sydney to Canberra Corridor Strategy*.

Bradcorp commenced its investigations over 20 years ago in 1999 and purchased the existing North Wilton land in 1999.

The NSW Government support continued and was reflected with the Bingara Gorge rezoning approval in 2005. This was reinforced in 2006 by Planning Minister Frank Sartor in releasing the 25-year *Sydney-Canberra Corridor Regional Strategy 2006-2031*.

Successive Governments, Planning Ministers and leaders of Planning Departments and Council leaders have been involved in discussions over the ensuing period.

In 2012, Wollondilly Council formally and unanimously resolved to support the Wilton Junction Masterplan, including North Wilton. In doing so, the Council also requested the State Government to coordinate the statutory rezoning and planning processes.

Together with adjoining sites controlled by Lendlease, Walker Corporation, Governors Hill and other landowners, Wilton was declared a Growth Centre in 2017.

The Wilton Priority Growth Area, when completed, will include 15,000 homes, a town centre and employment areas.

The development of the North Wilton site is also consistent with the Greater Sydney Commission's *Ten Directions for the Western Parkland City* - and is consistent with the Government's vision for the Wilton Priority Growth Area

DELIVERY PARTNERSHIPS

The timely delivery of large-scale developments require specific expertise and experience, so Bradcorp has a practice of identifying reliable partners with capacity and expertise to deliver such projects. Such was the case at Bingara Gorge in Wilton, where Bradcorp entered into a partnership with Lendlease Communities which commenced development in 2006.

For North Wilton, in 2014 Bradcorp engaged an advisor to seek potential partners. The advice received was:

"The Wilton site is of significant scale and complexity and the pool of parties who are capable of funding and executing such a large master planned project is relatively small. The pool of parties willing to invest early in physical and social infrastructure as desired by various stakeholders is smaller again."

In 2017 Bradcorp agreed to terms with Country Garden Australia (now Risland) to sell the site. Following this, in late 2018 a contractual dispute between the parties led to litigation and termination of arrangements.

In early 2019 Bradcorp re-engaged the advisor to seek assessment of a variety of potential new partners - again with a view to a long-term transaction with land and home delivery occurring over a decade or so. The advisor's view was the pool of potential partners that met Bradcorp's aims was even smaller than in 2014.

At this time dialogue commenced with Landcom, which developed with negotiations occurring with Landcom's Executive General Manager – Finance and Commercial. A confidentiality agreement was signed in May 2019.

As negotiations with Landcom progressed it was clear to Bradcorp that any decisions would require Board level involvement and ultimately Cabinet-level endorsement.

The complex negotiations to final agreement took 13 months with extensive teams on both sides covering commercial, legal and financial matters. In the latter stages during in mid-2020 when Covid-19 was affecting property values, Landcom sought to revisit the acquisition value and secured a reduction in purchase value.

LAND VALUE

The media reports of the Landcom purchase inferred that the contracted amount exceeded market value. This is false and incorrect.

The spread of Landcom payments occurs over eight years up to 2028, with larger payments in the final years. The current value of those annual payments is less and is discounted accordingly.

Our Independent Valuer considers the Landcom arrangement in the same range as a valuation they prepared in 2019, adjusted for 2021 pricing in the market.

It is Bradcorp's firm view that the transaction represents fair value for all parties and that the purchase process was conducted appropriately at all times.

Media reports in early June 2021 confirm that Lendlease has agreed to sell 900 residential lots at Bingara Gorge for \$220m with completion in mid-2021. This attributes a comparatively higher value in the current market compared to Landcom's North Wilton acquisition of 5600 lots with the last of annual payments occurring in 2028.

CONCLUSION

As CEO of Bradcorp, I have followed the political commentary in relation to the acquisition process and consider some comments unseemly, damaging and poorly considered. If the Committee so wishes I would be pleased to attend any relevant hearing to help inform and respond to any concerns.

Kind Regards,

Peter Brennan AM
Chief Executive Officer