



## Australian Government

### Department of Finance

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Mayor Karen Williams  
Redland City Council  
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Email: [mayor@redland.qld.gov.au](mailto:mayor@redland.qld.gov.au)

Dear Cr Williams

### **Off-market negotiations for Commonwealth land at Birkdale QLD**

I am writing in regard to our meeting of 15 November 2018 regarding the proposed off-market sale of the Australian Communications and Media Authority (ACMA) land at Birkdale QLD ('Site').

My colleagues and I appreciated the opportunity to outline the Commonwealth's negotiation process and the Government's agreed parameters and timeframes. A summary of the points raised during our meeting is set out below.

The Government's consideration of the Birkdale Divestment Strategy ('Strategy') took account of a range of factors in determining the most appropriate method of divesting the Site, including local community needs and expectations, policy objectives and the Commonwealth Property Disposal Policy (CPDP). The Government has agreed to invite Council to make an off-market offer consistent with the following:

#### Market Value

The offer should reflect the market value (assuming highest and best use) of the Site 'as is'

#### Security of Purpose

The sale would be subject to the inclusion of a Security of Purpose clause, for an agreed term (i.e. 30 – 40 years), ensuring that should a future zoning change result in the land having a higher value, this value uplift would be returned to the Commonwealth.

#### Timeframe

The Government is committed to divest the Birkdale property by the end of financial year 2019-20. To facilitate this, Finance requests the Council submit its offer by 8 February 2019 or sooner (noting your advice on scheduled Council meetings).

While it is our preference to reach suitable terms with your Council for the divestment of the Site, after this time, the Commonwealth would commence alternative divestment approaches if there are unreasonable delays in the Council's response or agreement has not been reached on the proposed conditions to the Commonwealth's satisfaction.

### Due diligence

To assist Council make an informed decision, I have requested the following reports be provided to the identified Council representative, Andrew Ross, by Tuesday 20 November:

- Copies of Certificates of Title
- Environmental Investigation report (Environmental Resources Management dated April 2018)
- Cultural Heritage Study (Everick dated April 2018)
- Heritage Assessment (Jacobs dated December 2016)
- Security of Purpose template clauses.

These reports are being provided to you on a non-reliance basis and for information purposes only.

Finance is engaging with the Commonwealth Department of Environment and Energy in relation to the *Environment Protection and Biodiversity Protection Act 1999* (EPBC Act) requirements in the Site's divestment, and we will advise you of the outcomes of these discussions.

Additionally, access to the site can be arranged for Council's inspection. Please contact Ross Stevens (0417 464 424 / [ross.stevens@finance.gov.au](mailto:ross.stevens@finance.gov.au)) to facilitate this.

An additional due diligence period will, if required, occur once commercial terms are agreed.

### Open market

Should the off-market offer from Council not align with the Commonwealth's market value expectations, and for which the Commonwealth has made its decision, the Government may pursue an open market divestment approach.

### Airservices Australia

We note that the proposed off-market divestment does not include the Airservices Australia site adjacent to the ACMA site, as Airservices' future use requirements are yet to be determined. Please advise if you would like Finance to facilitate a meeting with Airservices.

We trust the process and offer parameters outlined in this letter will expedite the realisation of benefits for both parties and the broader Redland City community. We appreciate your cooperation in ensuring these negotiations remain confidential and look forward to receiving your offer.

Mr Ross Stevens (02 6215 1662) and Mr Jason Ford (02 6215 3922) are available should you have any questions in relation to this matter. I am also available to meet or discuss the matter further, should this assist the Council.

Yours sincerely



Vivianne Johnson  
Acting First Assistant Secretary  
Property and Construction Division

16 November 2018