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Date: *12/08/2024*

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Fwd: Confidential ATC Rosehill - Metro alignment

From: Lucy Hartas
To: William Murphy
Cc: Marcus Ray, Katie Knight

Date: Mon, 06 Nov 2023 06:51:14 +0000

Attachments: Unnamed Attachment (68 bytes); Unnamed Attachment (68 bytes); image003.png (41.45 kB); image004.png (19.03 kB); image005.png (769.46 kB); image006.jpg (823 bytes); Project Wattle - Options Analysis.pdf (119.28 kB)

Hi William

With thanks to Katie and her Investment NSW team, please see advice below about engaging with the ATC. I'll forward on the draft confidentiality agreement when provided too.

Lucy

Begin forwarded message:

From: Katie Knight
Date: 6 November 2023 at 5:04:03 pm AEDT
To: Lucy Hartas
Cc: Rowan Fisher
Subject: RE: Confidential ATC Rosehill - Metro alignment

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Hi Lucy

In response to ATC's email, the following process should be followed:

- An initial meeting can be held with ATC
- The purpose of the meeting is to better understand what ATC is proposing
- It should be made clear that any proposal is Proponent led and that Government is not jointly developing a proposal with ATC
- In response to any information that ATC provides:
 - *Any questions put to the Proponent should only be clarifications of what is being proposed*
 - *Suggestions of what the Proponent could / should do cannot be made*
 - *No confidential Government information can be shared with the Proponent*
- Information should be provided to ATC about the correct pathway for submitting a proposal (should the ATC wish to do so)
- If ATC submits a proposal in the future a formal process should immediately be established

We otherwise note that:

- Based on the limited information provided by the ATC at this time, it appears that an Unsolicited Proposals (USP) might be most appropriate pathway

TCO_000000147

• A document outlining alternative pathways for a potential transactions is attached
Any interaction requires a confidentiality agreement to be signed before discussions
commence. Rowan will send a draft to you shortly.

Regards,

Katie

Katie Knight

Chief Executive Officer

Investment NSW

52 Martin Place, Sydney NSW 2000

M: [REDACTED] E

investment.nsw.gov.au

I acknowledge the traditional custodians of the land and pay respects to Elders past and present. I also acknowledge all
the Aboriginal and Torres Strait Islander staff working with NSW Government at this time
Please consider the environment before printing this email.

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From: Lucy Hartas >

Sent: Thursday, 2 November 2023 6:01 PM

To: Katie Knight

; Rowan Fisher

Subject: FW: Confidential ATC Rosehill - Metro alignment

OFFICIAL

Hi Katie and Rowan

Can you please provide advice about the best way to consider this approach from the
ATC?

Lucy

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From: William Murphy

Sent: Thursday, 2 November 2023 5:58 PM

To: Lucy Hartas

>; Marcus Ray <[REDACTED]>

Subject: FW: Confidential ATC Rosehill - Metro alignment

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For advice please.

William Murphy

A/Secretary

The Cabinet Office

M: [REDACTED] E

OFFICIAL

From: Steve McMahon [REDACTED]

Sent: Thursday, 2 November 2023 11:30 AM

To: William Murphy <

Subject: Confidential ATC Rosehill - Metro alignment

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Hi Will

As discussed just checking the alignment of any potential Metro Station box at Camellia/Rosehill. We believe it would be in the light gray shaded areas below (toward the left hand side) outside the actual racecourse but inside our spectator precinct.

If you need a better image please let me know.

Thank you

Steve

[REDACTED]

Kind Regards,

<image006.jpg>

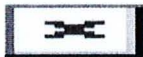
Charbel Katrib
Development Director

[REDACTED]

mostyncopper.com.au

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Steve McMahon
Head of Membership & Corporate Affairs

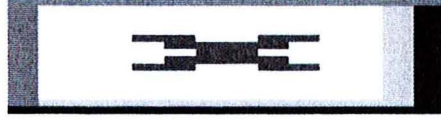


P [REDACTED]
E [REDACTED]

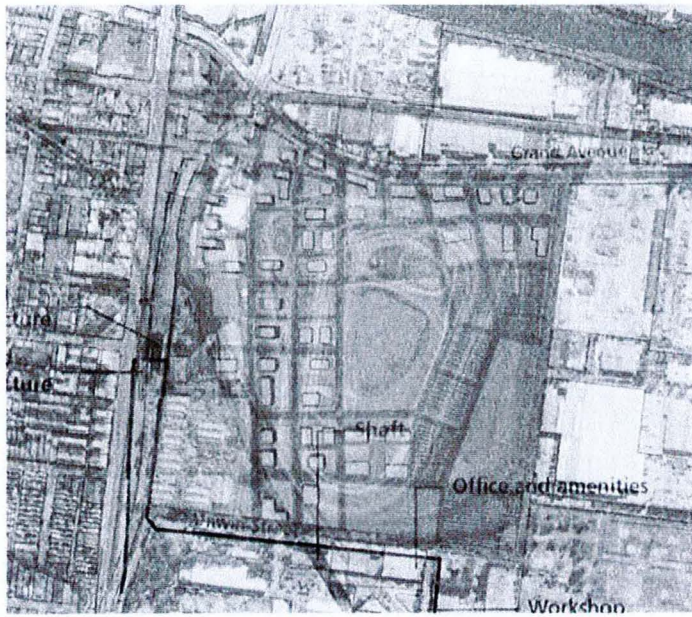
Alison Road, Randwick, NSW 2031
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2021 Restaurant & Catering NSW Hospitality Awards: Chef of the Year Winner – Gerry Maher
2022 Restaurant & Catering NSW Hospitality Awards: Best Function / Convention Centre Caterer Rosehill Gardens



Project Wattle | Transaction Options Analysis

Option	Description	Key Steps	Risks	Benefits	Policy and Legislation
Option 1 Direct Deal (Joint Venture)	NSW Government enters in Joint Venture agreement with the landowner. This could be structured in several ways, for example the Government could develop and own the metro station and over station development, while both parties could enter into a profit-sharing arrangement for housing.	<ol style="list-style-type: none"> 1. Justification to direct deal approved by NSW Cabinet or relevant Minister 2. Participation agreement or MOU entered into by both parties 3. Multi-stage negotiation and assessment process 4. Cross-agency governance oversight and relevant Cabinet approvals to progress to further stages of negotiation 5. Joint venture agreement finalised (including condition precedent regarding rezoning of site) 6. Site rezoned to allow residential development 	<ul style="list-style-type: none"> • Development risk – including potential site contamination • Transaction risk – joint venture arrangements can be legally complex, particularly regarding the interface between government assets such as a metro station, and adjoining property • Due diligence risk – further consultation with Metro, TfNSW and Planning is required to determine the suitability of the site for a metro station and residential uses • Reputational risk – the NSW Government may be criticised for reducing recreational greenspace and overpaying the landowner • Reputational risk – perception Government acting as a property developer 	<ul style="list-style-type: none"> • Significantly increase housing supply along the Metro West corridor • Potential to secure high return on investment 	<p>NSW Government <i>Direct Dealing Guidelines June 2021</i></p> <p>ICAC Guidelines for <i>Managing Risks in Direct Negotiations August 2018</i></p>
Option 2 Direct Deal (either Proponent or Government led)	A direct deal refers to any circumstance where Government enters into direct negotiations / sole source arrangements over a commercial proposition.	<ul style="list-style-type: none"> • Justification to direct deal approved by NSW Cabinet or relevant Minister • Participation agreement or MOU entered into by both parties • Multi-stage negotiation and assessment process • Cross-agency governance oversight and relevant Cabinet approvals to progress to further stages of negotiation • Agreement finalised (including condition precedent regarding rezoning of site) • Site rezoned to allow residential development 	<ul style="list-style-type: none"> • Development risk – including potential site contamination • Due diligence risk – further consultation with Metro, TfNSW and Planning is required to determine the suitability of the site for a metro station and residential uses • Reputational risk – the NSW Government may be criticised for reducing recreational greenspace and overpaying the landowner • Reputational risk – perception Government acting as a property developer 	<ul style="list-style-type: none"> • Significantly increase housing supply along the Metro West corridor • A robust, multi-staged assessment process to ensure the NSW Government is achieving value for NSW • Slightly more process flexibility than the USP pathway • Greater negotiation control than USP pathway • Greater potential to prove that the Government is securing value for money by increasing contestability – i.e. under a JV, the landowner may operate as master-developer, whereas in a direct deal, the NSW Government may run a competitive process. 	<p>NSW Government <i>Direct Dealing Guidelines June 2021</i></p> <p>ICAC Guidelines for <i>Managing Risks in Direct Negotiations August 2018</i></p>

Option	Description	Key Steps	Risks	Benefits	Policy and Legislation
Option 3 Unsolicited Proposal	A specific process / pathway under the broader umbrella of 'direct dealing'. This is the pathway through which the private sector can approach Government to propose a commercial transaction on a direct basis.	<ol style="list-style-type: none"> 1. Landowner lodges unsolicited proposal 2. Proposal assessed by DEIT and considered by cross-agency USP Steering Committee 3. Multi-stage negotiation and assessment process 4. Cross-agency governance oversight and relevant Cabinet approvals to progress to further stages of negotiation 5. Agreement finalised (including condition precedent regarding rezoning of site) 6. Site rezoned to allow residential development 	<ul style="list-style-type: none"> • Transaction risk – landowner potentially given first opportunity to develop negotiation parameters • Probity risk – perception that NSW Government is engineering an unsolicited proposal for a Government-driven transaction • Reputational risk – the USP pathway has been previously been perceived by the media as 'controversial' and associated with the Crown at Barangaroo. However, the USP process is robust, reviewed by the Audit Office of NSW, and considered fit-for-purpose • Reputational risk - the NSW Government may be criticised for reducing recreational greenspace and overpaying the landowner • Due diligence risk – further consultation with Metro, TfNSW and Planning is required to determine the suitability of the site for a metro station and residential uses 	<ul style="list-style-type: none"> • Significantly increase housing supply along the Metro West corridor • A robust, multi-staged assessment process to ensure the NSW Government is achieving value for NSW 	NSW Government <i>Unsolicited Proposals - Guide for Submission and Assessment</i> May 2022
Option 4 Compulsory Acquisition	NSW Government acting through TfNSW compulsorily acquires part of the site required for transport purposes (e.g. the metro station site) per the <i>Land Acquisition (Just Terms Compensation) Act 1991</i> (NSW)	<ol style="list-style-type: none"> 1. Attempt to reach negotiated agreement (statutory period 6 months but can be shortened if agreed by both parties) 2. NSW Valuer-General undertakes valuation of site and provides determination to both parties - valuation considers market value on the date of acquisition, loss attributable to severance or disturbance, disadvantage resulting from relocation, and any increase or decrease in the value of any other land of the person at the date of acquisition which adjoins or is severed from the acquired land (s56). 3. Both parties agree to terms of agreement 4. Negotiations commence for broader site to facilitate residential development (see Options 2-4) 7. Site rezoned to allow residential development 	<ul style="list-style-type: none"> • Transaction risk – acquisition may be required to be undertaken in two tranches - i.e. TfNSW could only acquire land required for the metro station, not broader housing supply. Further investigation required into body / legislative power to acquire land for housing purposes • Reputational risk – the NSW Government may be criticised for limiting the commercial viability of the racing industry and reducing recreational greenspace for the community • Due diligence risk – further consultation with Metro, TfNSW and Planning is required to determine the suitability of the site for a metro station and residential uses • Financial risk – valuation will not only include the value of the land but will also consider value from racing operations 	<ul style="list-style-type: none"> • Independent valuation process undertaken • Could form part of an important part of a broader direct negotiation regarding the greater site 	<i>Includes: Land Acquisition (Just Terms Compensation) Act 1991</i> (NSW)

FW: Confidentiality Deed

From: William Murphy
To: Mark Hare <
Date: Thu, 09 Nov 2023 01:47:25 +0000
Attachments: Confidentiality Deed TCO ATC.pdf (248.93 kB);
MEMBERSHIP_20231108_113229.pdf (119.3 kB)

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From: Steve McMahon [REDACTED]
Sent: Wednesday, 8 November 2023 12:24 PM
To: William Murphy <
Subject: FW: Confidentiality Deed

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Dear William

Please see attached the signed agreement from our Chairman and CEO/Company Secretary.

Please note for the purpose of contact, that would be me. Please use email or mobile for correspondence if possible.

Stephen K McMahon
[REDACTED]

Randwick Racecourse Alison Road Randwick 2031

Please note that ATC will need to discuss these matters with our NSW Government appointed regulator, Racing NSW. Their CEO, COO, key staff and their Directors will need to be involved/informed at some point. At this stage I would consider them part of the "Project Team" and make them aware of this document. Please advise if they need to sign a separate document.

ATC will share this document with any ATC staff or contractors/consultants used in this process.

I also note that under this deed we can discuss matters with the Premier, Ministers and their staff as appropriate (2.3 c). We note this is not "lobbying" as described in 2.10.

TCO_000000158

Thank you and I look forward to seeing you at 2pm today to discuss the process further.

Regards
Steve

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From: William Murphy <[REDACTED]>
Sent: Tuesday, November 7, 2023 5:29 PM
To: Steve McMahon <[REDACTED]>
Subject: Confidentiality Deed

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Hi Steve

As discussed, deed for tomorrow's catch up.
Would you mind arranging signatures and returning prior?

Thanks

William

William Murphy
A/Secretary
The Cabinet Office

[REDACTED] E:

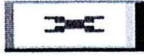


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Steve McMahon
Head of Membership & Corporate Affairs

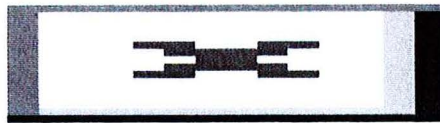
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