

# SUBMISSION: ITEM 12.1.2

## THE PROBLEM

- Hawkesbury City Council's decision to sell 19 acres (7.685 hectares) of council-owned land at 295 Sackville Road, Wilberforce, at a price of \$5.9 million sets a precedent that may not serve the public interest and therefore should be rescinded.

## DENIES ACCESS

- Denies access to ordinary policies and procedures claiming privilege

## BACKGROUND

- The Council had the land valued at \$1.2 million after which the General Manager told Hypro Group that \$5.9 million was an acceptable sale price. In August 2024 Council approved this sale price via private treaty and not public auction.
- The land currently zoned RU1 (Primary Production) was purchased by the council in 1980 for expansion of the Woodlands Industrial Park at Wilberforce. Currently all industrial land in the Hawkesbury is full and business are waiting on a decade long overdue LEP to go on public exhibition.
- The location was recently considered as a potential site for an Emergency Services Precinct. However, due to biodiversity concerns regarding a small section of the land, that project did not proceed. Council Administration argued that the funds from the sale of this land could be used to offset the cost of purchasing private land for the location of the Emergency Services Precinct.

This sale of this land was negotiated via private treaty after an unsolicited offer of \$5 million was made by the Hypro Group whose premises border 295 Sackville Road.

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# ANALYSIS OF CURRENT SITUATION

A rescind motion was lodged and the matter is before Councillors for their reconsideration. Public interest issues raised by the sale of this land are set out below:

## **01** ————— **THE PROPERTY IS NOT EXCESS TO NEED:**

The land was purchased for expansion of the Woodlands Industrial Park which is full along with all other industrial land in Hawkesbury LGA. As a result, there is an urgent demand for the expansion of the Woodlands Industrial Park which should be included in the upcoming Local Environment Plan.

## **02** ————— **BREACH OF PROPERTY MANAGEMENT POLICY:**

According to Hawkesbury City Council's Property Management Policy (specifically Part 9.1), council land deemed surplus should be sold via public auction whenever possible. This sale was conducted through private direct negotiation rather than following the preferred public auction process, with very weak justifications provided for this deviation from policy.

The Council business paper cited examples of previous private land sales deviating from public auction, but these involved small road reserves or failed auction sales. In contrast, the sale in question pertains to 19-acres of land adjacent to an existing industrial park, originally purchased by Council for expansion of that park. This land is far more valuable and of much greater public importance and interest than the minor parcels of land exemplified in the Council Business paper.

1. The land's valuation is highly questionable. Council Administration reportedly valued the land at \$1.2 million or \$1.5 million, far below the final sale price of \$5.9 million. The veracity of the Council valuation is questionable given the NSW Valuer General value for the land is \$1.740 million and the willingness of the Hypro Group to pay just over 3 times this valuation. The value of a property is what the purchaser can realise from it and clearly Hypro considers it can realise more than this purchase price.

The \$5.9 million sale price appears grossly undervalued when considering the market value of industrial land in Sydney's west.

**By comparison:**

- In Western Sydney (2021), industrial land was valued at approximately **\$900** per square meter.
- In South Sydney (2021), the value was **\$3250** per square meter.

**Using the Western Sydney figure as a benchmark:**

- 15 acres (approx. 60,000 square meters) of the Wilberforce land, after excluding 4 acres for environmental preservation of endangered species habitat, **would be valued at \$54 million** based on industrial land prices. This is far above the \$5.9 million negotiated price.
- Please note Penrith City Council recently sold industrial land for \$77 million, achieving a profit on their initial purchase price of \$50 million. Penrith Council approach, which involved transparent public listing and active marketing, contrasts sharply with Hawkesbury's confidential process. Based on similar land transactions, **Hawkesbury Council Wilberforce land could have been worth between \$26 million and \$95 million when Woodlands Industrial Park is expanded**, depending on business interest.
- The potential profit to be made by the change in zoning to this land would be a legitimate reason why the successful Hypro Group is willing to pay \$5.9 million for it.

# ANALYSIS CONTINUED:

## 03 \_\_\_\_\_ CONTINUED:

The average price of RU1 land for 12 months ending 30 Sep was \$90.87sqm

Therefore, 76,850 sqm at that rate should be a sale price of \$6,983,708.

The sale price is short by \$1,083,708.

## 04 \_\_\_\_\_ LACK OF TRANSPARENCY:

The sale was negotiated confidentially, and critical details regarding the valuation and reasoning behind the sale were not subject to adequate public scrutiny. This decision has significant financial implications for the ratepayers of Hawkesbury who have already experienced very significant financial losses because of decisions made by the past Council. The public was not informed or consulted about this sale, which raises concerns about fairness and transparency.

## 05 \_\_\_\_\_ IMPACT ON LOCAL DEVELOPMENT:

Hawkesbury is experiencing a shortage of industrial land. The sale of 19 acres of prime land in Wilberforce, could have provided a significant boost to local business by providing an opportunity for expansion of existing business and for the establishment of new businesses providing diversity in future employment opportunities. Selling this land at an undervalued price may compromise future economic development, depriving the community of potential benefits.

# ANALYSIS CONTINUED:

**06**\_\_\_\_\_

## **POTENTIAL CONFLICTS OF INTEREST:**

The process followed by the council in accepting an unsolicited offer, negotiating privately, and undervaluing the land with respect to market value raises concerns about possible conflicts of interest or undue influence. The council's decision to bypass public auction might be perceived as undermining the democratic process and transparency expected of local government bodies. The process might be perceived to advantage one business (Hypro Group) over others which may undermine business and public confidence in the government administration.

**07**\_\_\_\_\_

## **IMPACT ON THE FUTURE SALE**

Impact on the future sale of Council property excess to need. Council owns 243 properties of which many could be classified as excess to need using the same process applied to the 295 Sackville Road. If this sale proceeds the process is legitimatised and Council would be required to provide the same method to other unsolicited offers of purchase of compounding the disadvantage caused by this sale to all Hawkesbury businesses, ratepayers and residents.

# BREACHES OF GOVERNMENT POLICY

Breaches to government policy caused by the sale of this land are set out below:



## 1. VIOLATION OF HAWKESBURY CITY COUNCIL'S PROPERTY MANAGEMENT POLICY (PART 9.1):

- Failure to sell the land through public auction as required by council policy, without sufficient justification.



## 2. UNDERMINING FAIR MARKET COMPETITION:

- By not opening the sale to public bidding, the council has potentially undersold valuable public land, denying ratepayers the best possible financial return.



## 3. FAILURE IN PUBLIC ACCOUNTABILITY:

- The lack of public consultation or engagement violates principles of transparency and accountability in government operations. Ratepayers are entitled to understand the full financial implications of sale of public land.

# BREACHES OF GOVERNMENT POLICY

**CONTINUES BELOW:**



## **4. CREATING AN ENVIRONMENT THAT FOSTERS CORRUPTION**

- Setting a precedent for ongoing sale of large parcels of public land without reference to the market, using opaque processes, and excluding public engagement are conditions that foster corrupt activities.
- Failure to inform other neighbouring landowners of the sale disadvantages them by robbing them of the same opportunity provided to Hypro for future expansion of their business and or investment in what is likely to be a highly profitable land deal.



## **5. REFERRAL TO THE NSW OFFICE OF LOCAL GOVERNMENT (SECTOR PERFORMANCE) FOR INVESTIGATION**

- The actions of Council Administration and the advice they have provided to Councillors which lead to the decision to sell the land to Hypro Group be referred to the NSW Office of Local Government Sector Performance for investigation and recommendations on what actions should be taken about the breaches of government policy.
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# CONCLUSION

Hawkesbury City Council's actions in the sale of 295 Sackville Road, Wilberforce, have resulted in a clear breach of its own Property Management Policy and raise serious concerns about transparency, fairness, and due diligence.

The land sale appears undervalued, conducted in a secretive manner that deprived the public of a fair market process.

Given these circumstances, we request Councillors support the rescind motion and refer the matter to the NSW Office of Local Government for thorough investigation and recommendations on how future unsolicited offers to purchase Council land should be conducted.

**WE REQUEST  
COUNCILLORS  
SUPPORT THE RESCIND  
MOTION 12.1.2 AND  
REFER THE MATTER TO  
THE NSW OFFICE OF  
LOCAL GOVERNMENT.**

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## CONTACT

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