

Inner South Canberra Community Council welcomes police probe on Brumbies' land deal

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The Inner South Canberra Community Council has welcomed a police review of the Brumbies' controversial land sale at Griffith, with its chairman saying the whole project had been "a real running sore for the community".

The office of ACT Chief Minister and Treasurer Andrew Barr also revealed on Friday that the government commissioned its own financial audit of the Brumbies earlier this year as part of its performance agreement with the rugby club.

And the Chief Minister also confirmed again that the Brumbies saved more than \$7.5 million on the land sale and redevelopment at Griffith because the government waived its lease variation charge.

The Brumbies revealed this week that it and the Australian Rugby Union had asked ACT Policing to review a series of transactions and agreements which occurred between 2009 and 2013 and were linked to the Brumbies' sale of its former headquarters in Griffith for \$11.375 million and the subsequent move to the University of Canberra in Bruce.

Brumbies chief executive officer Michael Jones said a series of "anomalies" had been revealed in the transactions but he declined to detail any specifics, emphasising that the current club operations were not affected and no current staff member was implicated.

He said on Friday there was no indication in the investigations to date that the government had anything to answer.

The Brumbies in 2013 sold its Griffith training and administration headquarters for \$11.375 million to a developer.

Amalgamated Property Group is now building more than 100 units on the site. The Brumbies moved to the University of Canberra campus, agreeing to pay \$5 million towards a new facility there. The sale of the Griffith land was heralded by then Brumbies chief executive officer Andrew Fagan as a way for the club to clear its debts and secure its future.

A statement from Mr Barr on Friday said the government waived the lease variation charge of \$7.515 million the Brumbies would have had to pay as part of the land deal because it considered that "the waiver would result in a net benefit to the broader Canberra community".

Mr Barr's statement said those benefits included that "the development of the former Brumbies headquarters helped achieve the government's objectives of promoting density in urban areas and greater supply and housing choice".

The government also believed the Griffith development would help the Brumbies to relocate to UC and be part of a facility that was "providing a community sporting hub, and paving the way for UC to become a national leader in sport and health-related research".

Inner South Canberra Community Council chairman Gary Kent said, in its opinion, right from the start the Brumbies' proposal for the Griffith site had been all about the financial imperatives of the club rather than the concerns of the community, which included misgivings about the size of the development and the foregoings of tax

dollars in a property deal for the benefit of a sporting club.

"The council was always concerned about a number of aspects of that development and we were very concerned about whether the community interests were adequately protected in that development," he said.

Mr Kent, a former president of the Canberra Liberals, said the waiving of the tax amounted to a free kick for the Brumbies.

He said if the government wanted to support the Brumbies it should have given the club a grant rather than waive a tax as part of a property deal.

"The more things are done opaquely the more suspicion is raised about what happened," he said.

The council would be "watching very closely" the outcome of the police review.

There has been long-standing rancour about the Brumbies' plans for Griffith extending back to 1998 when it entered a joint venture with the Canberra South Bowling and Recreation Club which occupied the land in Austin Street. There were accusations over the years that the Brumbies had encouraged the demise of the bowling club to force it into selling the land to the Brumbies in 2007, something Mr Fagan always denied.

The office of Mr Barr also revealed it had commissioned an independent audit of the Brumbies financial affairs as part of its performance agreement which was soon up for review.