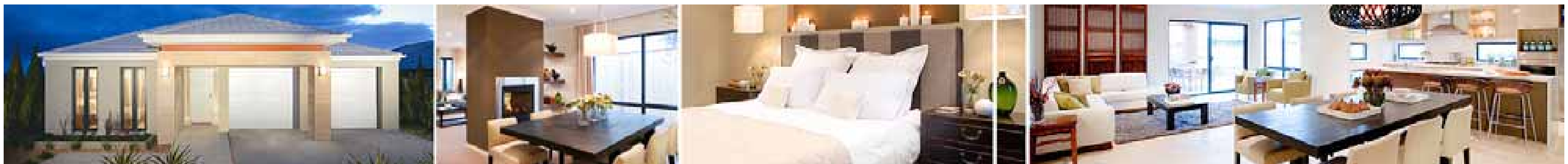
Productivity Commission

November 2010



AVJennings Project Cashflow Study

1. All projects show that there was a significant difference between the company's expectation at the time of purchase about when approvals would be granted to allow works to commence, and when this actually happened.

   The average unplanned delay was 17 months - Shown on the graphs as the drift to the right of the peak capital.

2. After the initial delay, the program for the project the project performed very close to the expectations that were made at the time of purchase having regard to costs, prices, production and sales rates.
   This is illustrated by the slope of the actual cashflow graph matching the slope of the expected cashflow closely in most cases

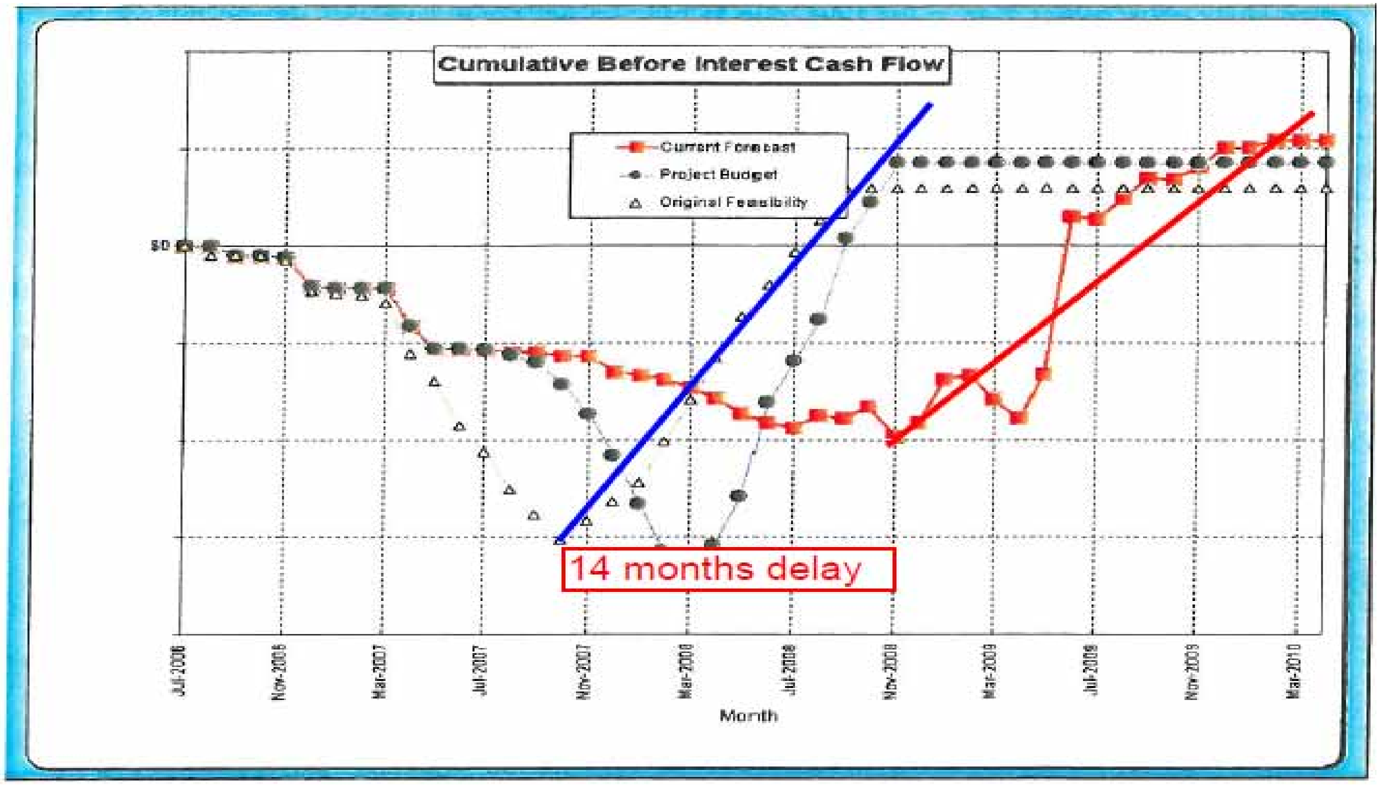
   Only 2 of the 8 projects (project 1 and 2) experienced a prolongation of the expected cashflow after works commenced on the first stage.

3. This highlights that planning risk is by far the greatest unplanned commercial risk faced over this period.

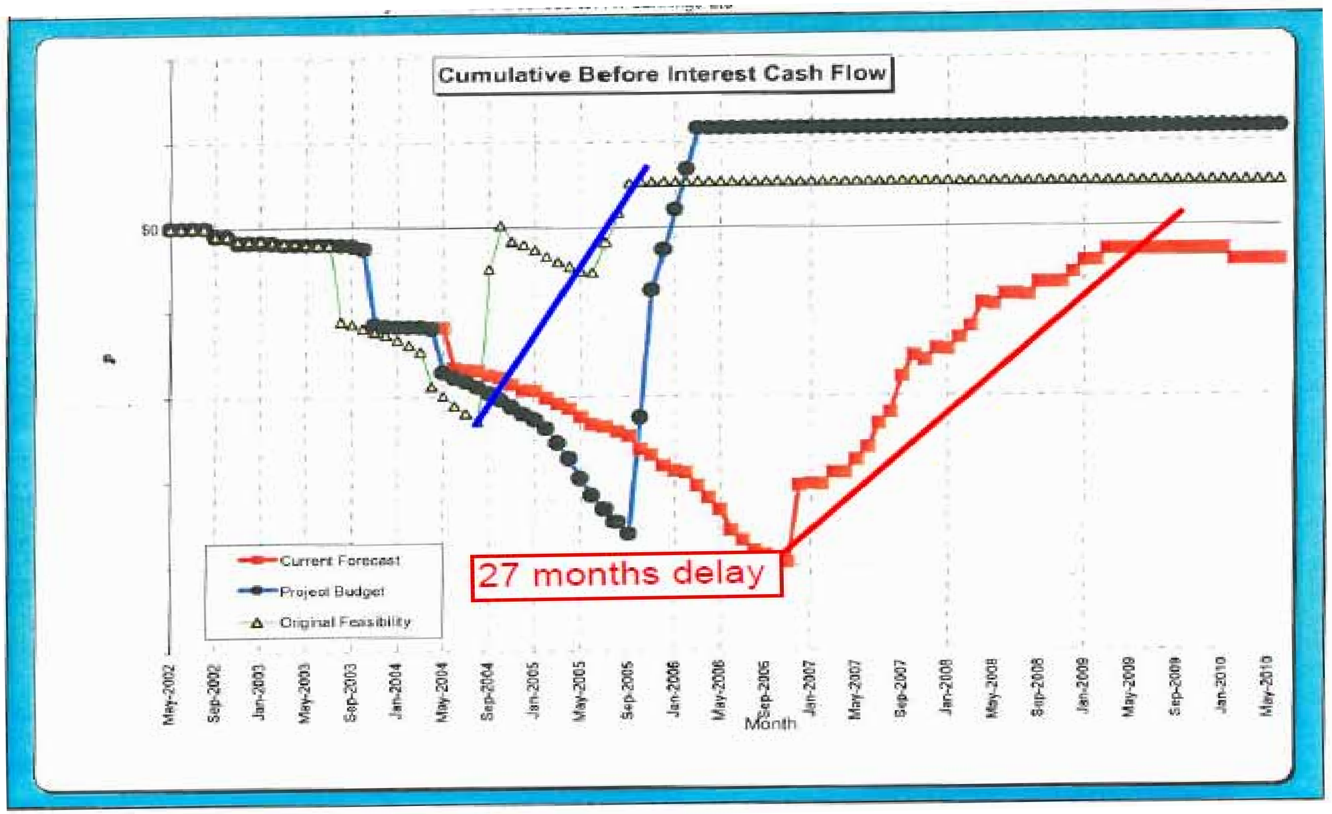
Summary

	Project	State	Months of Delay
1	23 Dwellings	NSW	14
2	29 Townhouses	NSW	27
3	69 Apartments	NSW	10
4	74 Lands & 71 Townhouses	VIC	29
5	17 Houses	QLD	8
6	135 Lots	QLD	23
7	34 Houses	SA	9
8	23 Dwellings	SA	12

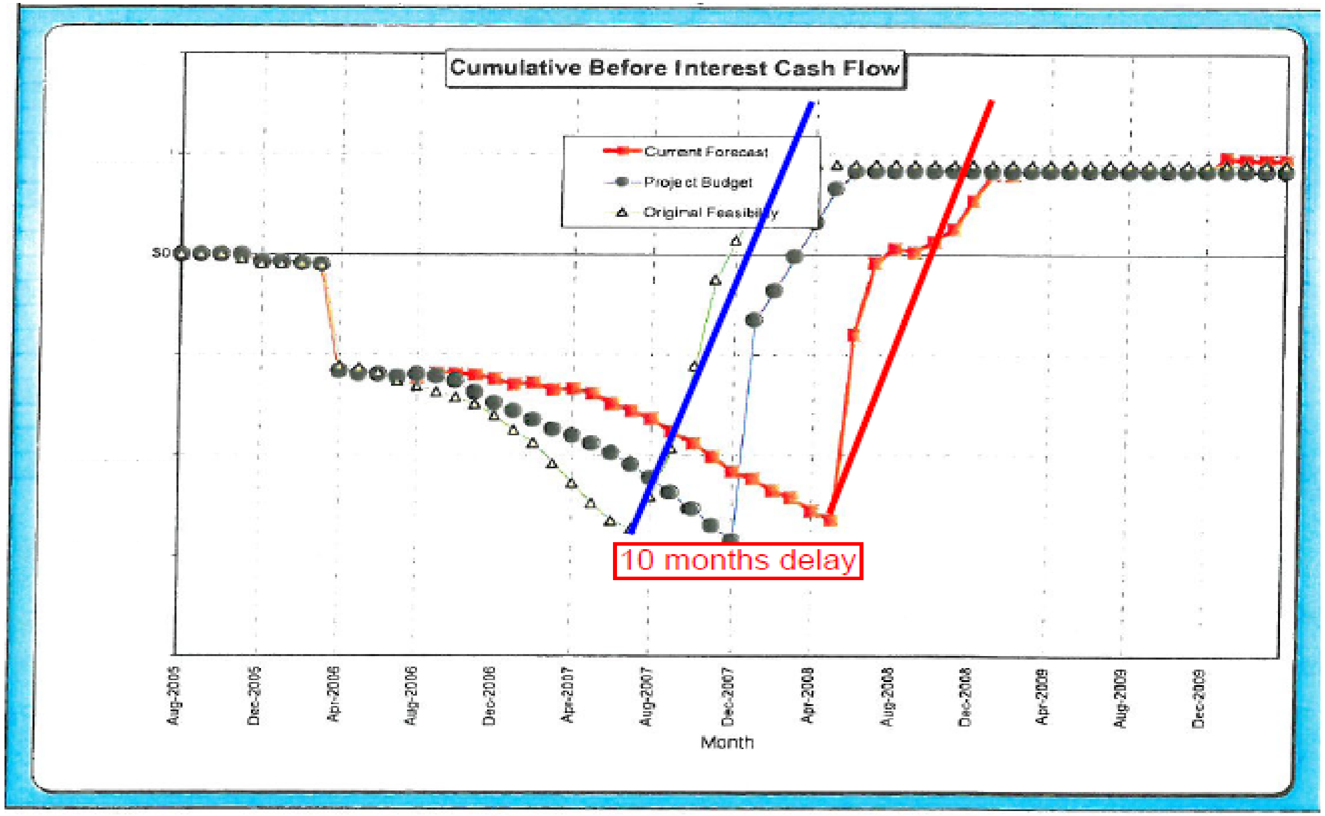
23 Dwellings Project NSW



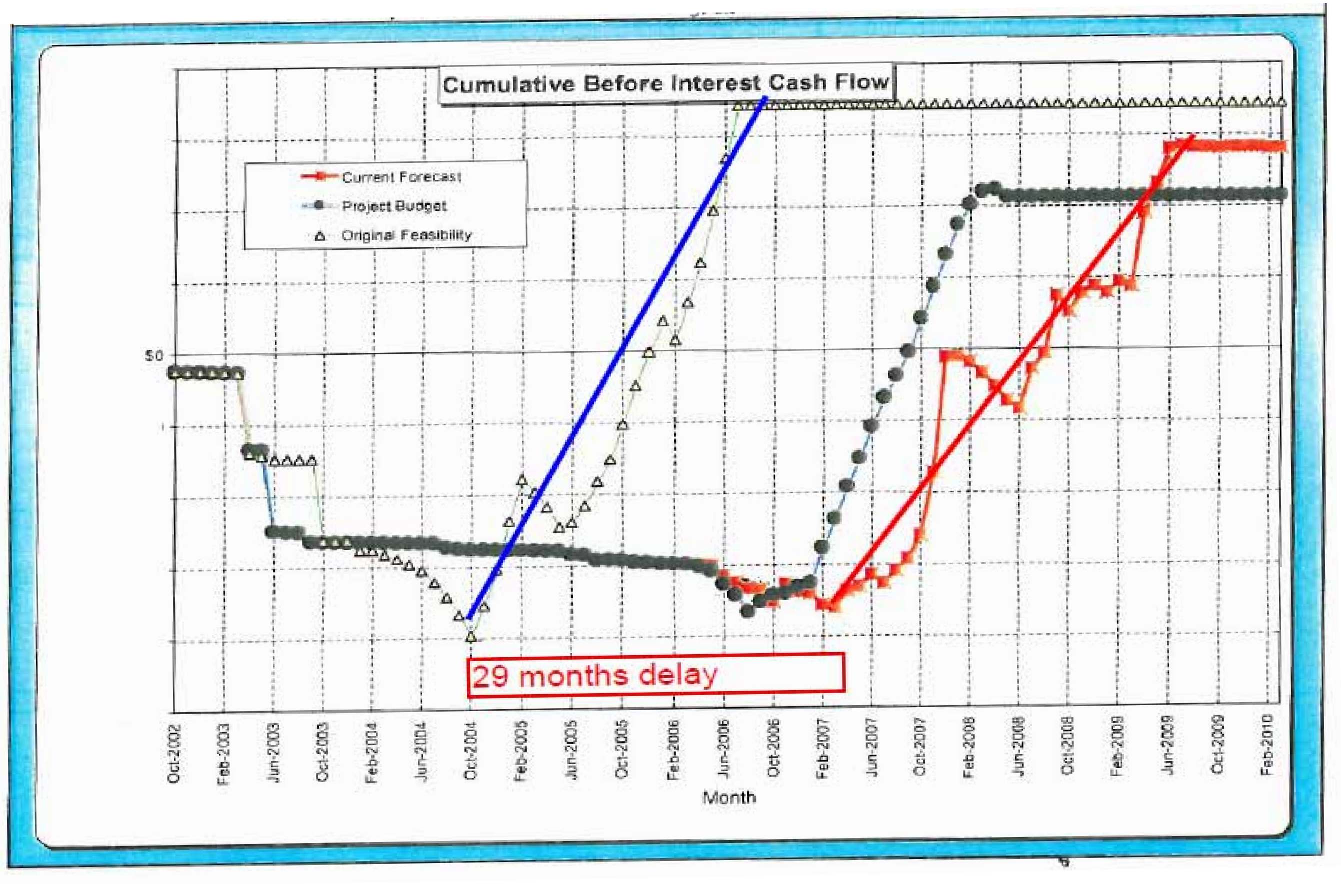
29 Townhouses Project NSW



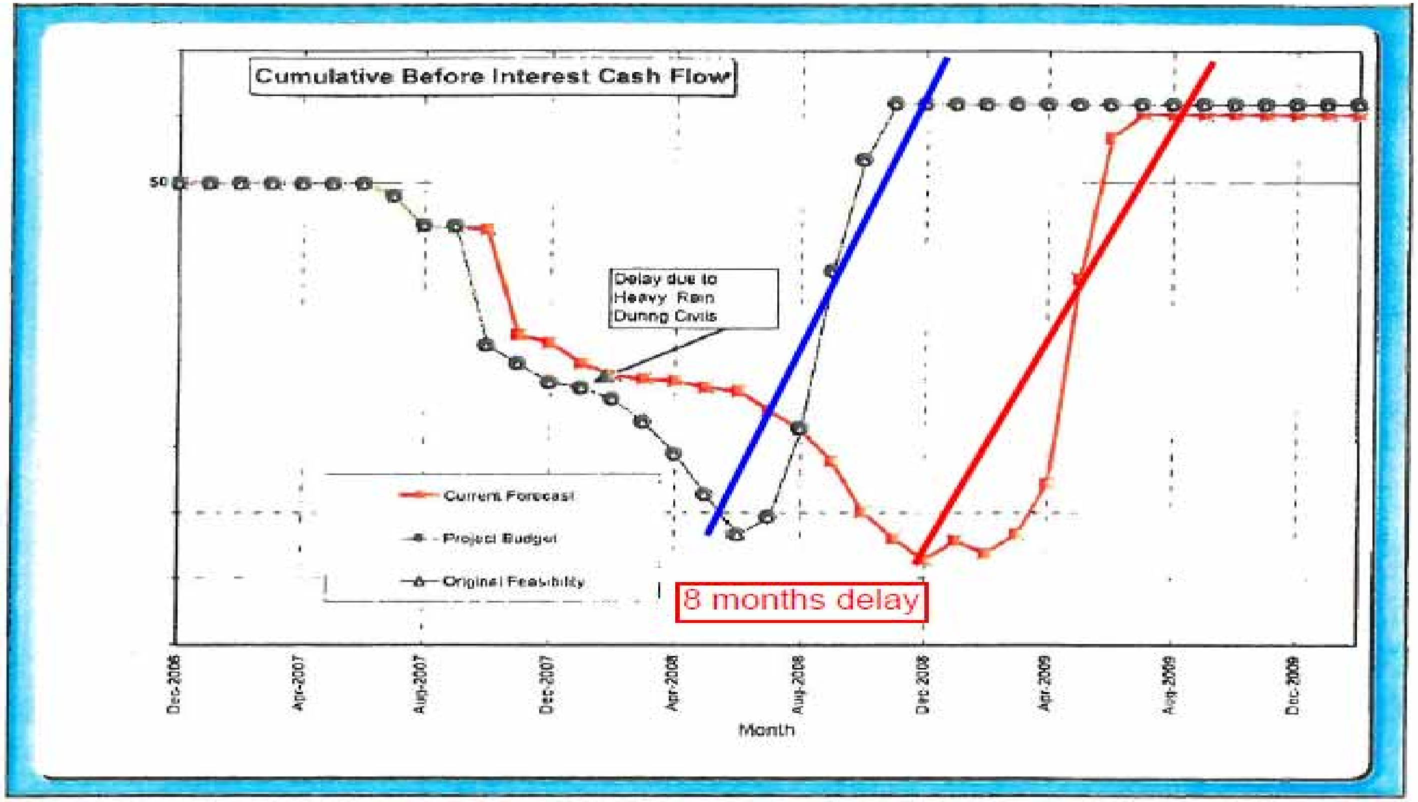
69 Apartments Project NSW



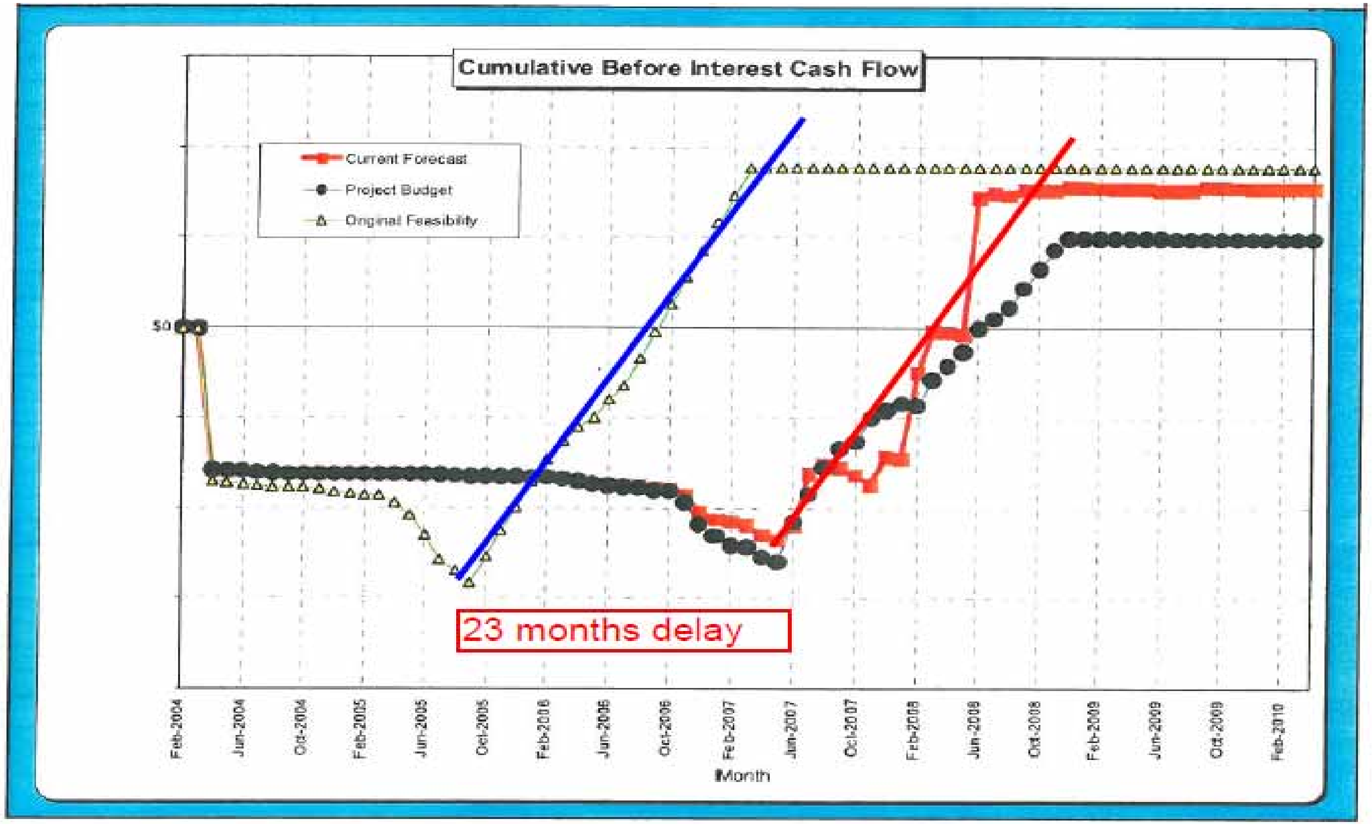
74 Land Lots & 71 Townhomes VIC



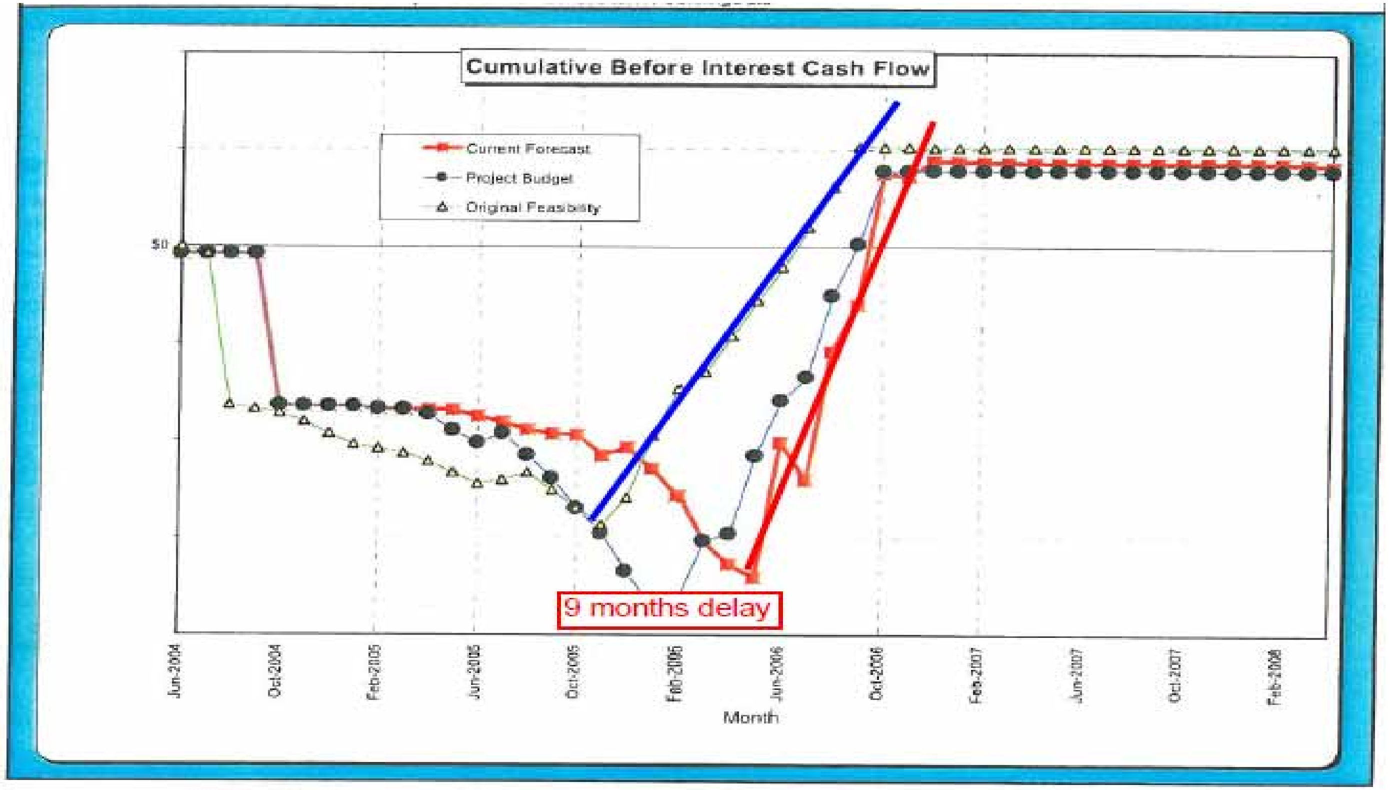
17 Houses Project QLD



135 Lots Project QLD



34 Houses Project SA



AVJennings

23 Dwellings Project SA