

PUBLIC

30/10/14



LandCorp

Question No. 1: Hon Sue Ellery MLC asked –

- (1) *I refer to page 40 of the Annual Report and the Claremont on the Park section, and ask –*
- (a) *Which party has been selected to develop Lot 503?*
 - (b) *What price was the land sold at?*
 - (c) *What price was the land valued at?*
 - (d) *What were the conditions of the sale?*
 - (e) *How much do the developers propose to invest in the development?*
 - (f) *Could you please provide a breakdown of the residential and commercial components of the proposed development?*
 - (g) *Has the Government provided any incentives or payments to the proponent and, if so, what are they?*
 - (h) *Will the Government purchase any part of the development?*
 - (i) *If yes to (h), what will it purchase and at what price?*

Answer:

- (a) Georgiou Developments
- (b) \$9,020,000 (incl GST)
- (c) Two valuations were received. One was \$8,222,500 (incl GST), and the other was \$8,800,000 (incl GST).
- (d) The Contract of Sale was subject to LandCorp's Standard Residential Conditions (with Development Requirements) including commencement of construction (12 months from settlement date), completion of construction (36 months from settlement date), and compliance with Design Guidelines.
- (e) Not Applicable
- (f) The proposed development on Lot 503 has been approved for four to six storey residential apartment buildings, with a total dwelling yield comprising a mix of 95 one, two and three bedroom apartments. No commercial component is planned for the development
- (g) No.
- (h) LandCorp is not aware of any Government purchase.
- (i) It is estimated that the private sector will invest (land purchase price and built form construction cost) in excess of \$32 million into Lot 503.

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Question No. 2: Hon Sue Ellery MLC asked –

- (1) I refer to page 45 of the Annual Report and the Karratha section, and ask –*
- (a) How will the Put Option work with the commercial development at the Quarter?*
 - (b) What has Mirvac purchased at the Quarter development and at what price?*
 - (c) Was Mirvac provided with any incentives and, if so, what were they?*
 - (d) Has the Government made any commitments to purchasing or leasing commercial or residential properties at the Quarter?*
 - (e) If yes to (d), what are they and what are the conditions attached to these commitments?*
 - (f) Which party is developing the five-star hotel at the Quarter?*
 - (g) When will work on the hotel commence?*
 - (h) How much did they pay for the land for the hotel development and when was it purchased?*

Answer:

- (a) If during construction or up to 12 months post practical completion 2 full floors of the commercial building are let to terms acceptable to Mirvac, LandCorp can choose to 'Put' the building to Mirvac, and they must purchase it at a market value determined by two independent valuers.
- (b) Mirvac has not made any purchase at the Quarter development.
- (c) Mirvac has not been provided with any incentives.
- (d) Yes.
- (e) The Minister for Finance is currently negotiating with LandCorp to lease one floor of the commercial building for current Government offices. The offer to lease will be drafted using the standard Government lease with no special conditions. The proposed rate is a competitive market rate determined by two independent valuers. The Minister for Finance sought the advice from the Valuer General's Office who determined it to be a fair and competitive rate.
- (f) LandCorp is currently negotiating with Ramtron; however no agreement/contract has been finalised.
- (g) – (h) Not Applicable, refer to (f)

LandCorp

Question No. 3: Hon Sue Ellery MLC asked –

(1) I refer to page 46 of the Annual Report and the Port Hedland Western Edge Partnering Opportunity, and ask –

- (a) When will the land be transitioned from a service worker accommodation camp to a retirement lifestyle village?*
- (b) Which party owns the land for this development?*
- (c) Which party owns the service worker accommodation camp and how many service workers live there?*
- (d) Which party proposes to convert the service worker accommodation camp into a retirement lifestyle village?*

Answer:

(a) Currently there is no service worker accommodation located on the Western Edge land in South Hedland. Final land uses are yet to be determined and will have regard to market demand.

(b) The land is currently Crown land.

(c)-(d) Not applicable, refer to (a).

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Question No. 4: Hon Sue Ellery MLC asked –

(1) I refer to page 38 of the Annual Report and the Springs Riverdale development, and ask –

- (a) Could LandCorp list all companies which have purchased land or lots within the development?*
- (b) For each company outlined in (a), what is the size of land or lots that was purchased?*
- (c) For each company outlined in (a), on what date was the purchase or purchases of land or lots made?*
- (d) For each company outlined in (a), what is the total amount paid for the land or lots?*

Answer:

(1) (a)-(d)

McGregor Road Palmyra Pty Ltd purchased:

Lot 1001: 5,100 sqm, settlement date 17/06/2013, purchase price \$5,851,407.69 (GST Incl)

Lot 1002: 2,358 sqm, settlement date 17/06/2013, purchase price \$2,609,411.54 (GST Incl)

Lot 1003: 1,754 sqm, settlement date 17/06/2013, purchase price \$1,818,680.77 (GST Incl)

Statesman Homes Pty Ltd purchased:

Lot 1005: 3,312 sqm, settlement date 9/04/2014, purchase price \$2,484,000 (GST Incl)

Lot 1009: 2,230 sqm, settlement date 28/02/2013, purchase price \$1,449,500 (GST Incl)

Lot 1010: 4,013 sqm, settlement date 26/05/2014, purchase price \$3,009,750 (GST Incl)

Rivervale Springs Pty Ltd purchased:

Lot 1008: 3,289 sqm, settlement date 21/06/2013, purchase price \$4,180,000 (GST Incl)

Rowe Avenue Pty Ltd purchased:

Lot 1020: 5,821 sqm, settlement date 20/06/2012, purchase price \$8,329,851 (GST Incl)

Lot 1019: 1,620 sqm, settlement date 20/06/2012, purchase price \$2,318,220 (GST Incl)

Parklife Holdings Pty Ltd ATF The Parklife Trust purchased:

Lot 1011: 1,054 sqm, settlement date 10/06/2013, purchase price \$1,100,000 (GST Incl)

Artesian Vision purchased:

Lot 1012: 2,535 sqm, settlement date 5/06/2013, purchase price \$2,750,000 (GST Incl)

Artesian Junction purchased:

Lot 1013: 1,264 sqm, settlement date 10/06/2013, purchase price \$1,430,000 (GST Incl)

Lot 1014 Springs Rivervale Pty Ltd purchased:

Lot 1014: 3,992 sqm, settlement date 21/01/2014, purchase price \$5,290,000 (GST Incl)

BAAC Pty Ltd purchased:

Lot 1015: 3,217 sqm, settlement date 05/03/2014, purchase price \$2,432,052 (GST Incl)

Lot 1016: 3,168sqm, settlement date 05/03/2014, purchase price \$2,395,008 (GST Incl)

Rowe Avenue Developments Pty Ltd purchased:

Lot 1018: 2,006 sqm, settlement date 19/04/2013, purchase price \$2,420,000 (GST Incl)

Dragon Century Spring Pty Ltd purchased:

Lot 1017: 2,826 sqm, settlement date 19/06/2014, purchase price \$3,300,000 (GST Incl)

LandCorp

Question No. 5: The Standing Committee on Estimates and Financial Operations asked –

The 2013/14 Annual Report on State Finances noted that the Western Australian Land Authority spend \$67 million less on infrastructure than estimated at the time of the 2014/15 Budget (p.26), and ask –

- (a) Can you provide a table that shows estimated and actual spending for each project listed in the Asset Investment Program (2014/15 Budget Paper No.2, p. 256)?*
- (b) For each project with a variance of greater than +/-5%, when did you realise that the project spend in 2013/14 would be different from the 2014/15 Budget estimate?*

Answer:

- (a) See attachment one.
- (b) During the final six months of the 2013/14 financial year.

LandCorp is required under its legislation to provide its 2014/15 Statement of Corporate Intent/Strategic Development Plan by December 2013 at which time LandCorp anticipated expenditure of \$347 million in 2013/14. Soft economic conditions however continued to impact the property market during the year. Sales in 2013/14 fell significantly short of the 2014/15 Budget forecasts. LandCorp's Asset Investment Program was reduced or delayed, where possible. Each program was affected.

(a) Attachment one

Program Name	Actual AIP \$m	2014/15 Budget \$m	Variance \$m	% Change %
Bunbury Waterfront Stage 1	2	4	(2)	-54%
Economic and Employment Land Program	38	54	(16)	-29%
Metropolitan Program	87	89	(2)	-2%
Regional Program	153	200	(47)	-24%
	280	347	(67)	-19%