

Your Ref: A236286
Our Ref: 0802426



Hon John Kobelke MLA
Chairman
Public Accounts Committee
Parliament House
PERTH WA 6000

Dear Mr Kobelke

QUESTION ON NOTICE ARISING FROM PUBLIC ACCOUNTS COMMITTEE HEARING

In response to your request dated 30 June 2010 arising from the Public Accounts Committee Hearing held on 23 June 2010, the following information is provided in relation to the Australian Marine Complex (AMC).

Question 1-

Attachment 1 details out the specific revenue derived - for each of the previous three years - from both the Common User Facility and leasehold land returns. The details include a breakdown of revenue from the various precincts at the AMC and differentiate between land sales and leasing.

Question 2 -

LandCorp and the Department of Treasury and Finance have agreed to set the hurdle rate of return as LandCorp's weighted average cost of capital as determined through a standard Capital Asset Pricing Model. This model combines the variables of a risk free interest rate, property sector risk rating, short medium and long term bond rates, market premium rate with LandCorp's level of equity capital and level of interest bearing debt. The hurdle rate of return is adjusted annually through LandCorp's Strategic Development Plan which is approved by the Minister responsible for LandCorp with the concurrence of the Treasurer.

Yours sincerely

Frank Marra
CHIEF EXECUTIVE OFFICER

9 July 2010

Att

ATTACHMENT 1

Common User Facility			
	2007/08	2008/09	2009/10
Income (\$'000)			
Sales	0	0	0
Lease (Net Revenue) *	-201	2,068	2,331
Community Service Obligations (CSO)	2,502	2,502	18,985
Recoveries	0	1,000	2,000
* - Net revenue from AMC Management operations who control the Common User Facility through a Facility Management Agreement with LandCorp. These are net returns to LandCorp after all operational payments are made.			

Fabrication Precinct			
	2007/08	2008/09	2009/10
P & L excluding non-cash items			
Income (\$'000)			
sales	6,173	11,441	11,751
lease + other contributions	-3	-13	2,082

Support Precinct			
	2007/08	2008/09	2009/10
P & L excluding non-cash items			
Income (\$'000)			
sales	15,297	0	2,573
lease + other contributions	226	191	261

Shipbuilding Precinct			
	2007/08	2008/09	2009/10
P & L excluding non-cash items			
Income (\$'000)			
sales	0	0	0
lease + other contributions	678	480	898

Technology Precinct			
	2007/08	2008/09	2009/10
P & L excluding non-cash items			
Income (\$'000)			
sales	0	0	0
lease + other contributions	250	342	465