

**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE**

**2015-16 ANNUAL REPORT HEARINGS  
ANSWERS TO ADDITIONAL QUESTIONS**

**Hon Alanna Clohesy asked:**

1) [pages 9 and 19]:

- a) What has been the feedback from commercial tenants who have moved into the Kings Square precinct of the Perth City Link?

**Answer:** The MRA's role in the Kings Square precinct is as the planning authority for the area, not as landowner or place manager. Some tenants within the Kings Square precinct have expressed concern about low trading periods. Notwithstanding this, the MRA has been working with the tenants and building owners to identify strategies to assist and has provided opportunities for marketing and promotional signage onsite. The MRA will continue to liaise with Perth City Link project stakeholders to share project updates and address issues and concerns.

- b) Have all tenants who have moved there remained and, if not, why not?

**Answer:** The MRA's role in the Kings Square precinct is as the planning authority for the area, not as landowner or place manager. As such, while the MRA understands that the Kings Square buildings are not fully occupied, detailed questions relating to tenancy arrangements should be directed to building owners, DEXUS Property and HBF, or the developers Leighton Properties.

- 2) [page 11] Noting the commuter numbers on the South Perth Ferry route increased by 450% after the opening of Elizabeth Quay, what are the current commuter numbers for this route? Has this increase been maintained?

**Answer:** The increase of 450% identified on page 10 of the Annual Report is for a 5 month period, from the Elizabeth Quay opening until 30 June 2016. The commuter numbers for the 3 month period 1 July to 30 September increased by 240%. These numbers were recorded during the winter season, which would normally see a decrease in the statistics.

These statistics have been provided by the Public Transport Authority (PTA) to the MRA, as place manager for Elizabeth Quay, but are not otherwise distributed or published by the PTA.

- 3) [page 25] Noting the East Perth Power Station is listed on the State Government's Assets Sales Register, will the heritage status of the heritage listed power station building be maintained whenever it is sold?

**Answer:** Yes. On 8 January 2016, the East Perth Power Station was permanently listed on the State Register of Heritage Places. The Memorial on the Certificate of

Title relating to the heritage status will be maintained following the sale and transfer of the land.

- 4) [pages 27 to 35] How are the project expectations for the various redevelopment areas calculated?

**Answer:** The Project Expectations are sets of statistics which are typically derived at the beginning stages of a project. These project statistics are derived from a range of sources, for example; feasibility studies, design guidelines, master plans, economic impact assessments and business cases.

<b>Investment attraction</b>	Refers to the anticipated retail end value of the project once all works have been completed i.e. what the assets are worth / what the end users are estimated to pay for them – typically delivered in the form of Economic Impact Statements (or nearest equivalent available). These are usually established as part of the feasibility and business case development phase for a project and therefore are only updated when there has been significant change in project direction or scope.
<b>Government investment</b>	Refers to the MRA's expenditure and, where applicable, other major Government expenditure within the project area. Examples of the latter include the New Museum project at Perth Cultural Centre and Perth Arena at Perth City Link.
<b>Project area</b>	The size of the land area within the project area boundary.
<b>Dwellings</b>	Refers to the expected number of dwellings, usually based on the latest information from the relevant master plan, design guidelines or development applications.
<b>Hotel rooms</b>	Refers to the expected number of hotel rooms, usually based on the latest information from the relevant master plan, design guidelines or development applications.
<b>Resident population</b>	Refers to the expected resident population, usually based on the latest information from the relevant master plan, design guidelines or development applications.
<b>Commercial /office/retail</b>	Refers to the expected amount of floor space for commercial/ office/retail, usually based on the latest information from the relevant master plan, design guidelines or development applications.
<b>Expected year of completion</b>	Refers to the expected year of completion of the Government and major private investment, based on relevant sales plans and commercial outlook.

- 5) [pages 29, 36 and 101] Regarding the Scarborough Redevelopment Area:

- a) Why is an investment attraction figure not stated unlike other redevelopment areas?

**Answer:** While Government investment will act as a stimulant for the Scarborough Redevelopment Area, much of the total Redevelopment Area is already developed private land holdings and therefore subject to the decisions

of the individual owners. Therefore, an investment attraction figure is yet to be established.

- b) Why is an expected year of completion not stated unlike other redevelopment areas?

**Answer:** The expected completion of the MRA's public domain and infrastructure works program and the City of Stirling's swimming pool is 2018. However, much of the total Scarborough Redevelopment Area is already developed private land holdings and therefore subject to the decisions of the individual owners. The MRA will keep the level of private development under review and will look to set a completion date for the Redevelopment Area once it has a clearer view of the major land redevelopment proposals.

- c) Are development applications of \$72million of private investment considered a good result compared to the overall Government (state and local) expenditure of \$75.4million? How does this relate to the \$89.82million of private investment generated as noted on page 101?

**Answer:** An assessment of the outcome of a project by comparison of private investment within a certain year to overall Government expenditure provides only a partial picture of eventual outcomes. The Government's investment in Scarborough will act as a stimulant for the area and is expected to generate increased private investment over a number of years. The total value of development applications received in the Scarborough Redevelopment Area in 2015/16 was \$89.82million, as per the table on page 100. This includes the development application for the swimming pool being delivered by the City of Stirling, which is not included in the total private investment figure of \$72 million.

- d) Why does no figure appear for investment attraction in the table on page 36?

**Answer:** See response to (a).

- 6) [page 31] Regarding the Armadale Redevelopment Area, is the \$100million facility developed by Hitachi Construction Machinery (Australia) Pty Ltd on track to open later this year?

**Answer:** Hitachi Construction Machinery (Australia) Pty Ltd (Hitachi) is already occupying the site on Allen Road. Works relating to relocation of existing services and construction of upgraded roads to the facility are still to be completed. A road upgrade design has been agreed with Main Roads WA, and detailed design of the road and civil works is now being completed to enable submission for approval from the necessary authorities, prior to undertaking the works.

- 7) [page 33] Please give a summary of the community and stakeholder feedback the agency received on the Hilbert Road Wetland and Rehabilitation Management Plan.

**Answer:** Public and stakeholder consultation on the Hilbert Road Wetland and Rehabilitation Management Plan (WRMP) was undertaken in June 2016. The City of

Armadale, Department of Parks and Wildlife and Department of Water sought clarification on aspects of, and recommended a number of amendments to, the WRMP; however, the issues raised during the consultation period have since been resolved with these stakeholders. One public submission was also received on the WRMP, however after liaising with the Department of Parks and Wildlife and the City of Armadale it was agreed that the submission was outside the scope of the application.

<b>Submitter</b>	<b>Issues</b>
<b>City of Armadale</b>	<p>Amendments to the WRMP were recommended as follows:</p> <ul style="list-style-type: none"> <li>• Reference the Resource Enhancement Wetland (REW) and discuss any hydrological impacts.</li> <li>• Indicate any implications of the groundwater capture zone being extended beyond the 50m Conservation Category Wetland (CCW).</li> <li>• The maintenance of water quality within the Hilbert Road Wetland to be included as a management objective of the CCW and associated buffer.</li> <li>• Translocation of topsoil in the CCW or its buffer is not supported.</li> <li>• More diversity of understorey species is requested.</li> <li>• Include bushfire protection requirements for surrounding residential development and acknowledge the relevant policy objectives of State Planning Policy 3.7.</li> <li>• Provide a detailed revegetation plan, identifying the location of the dual use paths, signage points of interest, fencing and controlled access gates.</li> <li>• The primary path within the CCW and buffer should be designed to provide a continuous connected path of consistent surface around the entire wetland.</li> </ul> <p>Clarification was sought as follows:</p> <ul style="list-style-type: none"> <li>• When the Water Balance Model for the WRMP will be updated with actual subsoil drain levels and confirmation that the model does not include 1 in 100 year rain events.</li> <li>• That any change to the alignment of the drain will not directly impact upon the hydrological and ecological regime of the Hilbert Road Wetland.</li> <li>• That the diversion of the Brickworks A drain in Precinct G would still satisfy the wetland management objective in relation to water levels.</li> </ul>
<b>Department of Parks and Wildlife; Department of Water</b>	<p>Amendments to the WRMP were recommended as follows:</p> <ul style="list-style-type: none"> <li>• Provide a detailed map showing the vegetation units/plant communities and condition within the wetland and the buffer.</li> <li>• To note that the Hilbert Road Wetland is located within a regional ecological linkage.</li> <li>• Include management actions, monitoring and performance criteria associated with the management of hydrological and water quality of Hilbert Road Wetland.</li> <li>• Modify the palusplain areas located in the north and south of the</li> </ul>

	buffer area to wetland areas with appropriate flora species to be considered for these areas.
	<ul style="list-style-type: none"> <li>• The use of topsoil translocation from the Jandakot project is not recommended due to possible dieback infestations.</li> </ul>
	<ul style="list-style-type: none"> <li>• Include a weed map to assist in weed control activities and determining if the completion criteria for weed management has been met.</li> </ul>
	<ul style="list-style-type: none"> <li>• Include the design and final location of any infrastructure.</li> </ul>
	<ul style="list-style-type: none"> <li>• The planting density and diversity to be amended accordingly; 1 or 2 canopy per 10m<sup>2</sup>, 2 plant per m<sup>2</sup> mid-level shrubs and understorey, 5 to 10 plants per m<sup>2</sup> in the herb layer and sedges and rushes in the wetland areas and diversity target should be included.</li> </ul>
	<ul style="list-style-type: none"> <li>• Increase the management period to five years.</li> </ul>
	<ul style="list-style-type: none"> <li>• Melaleuca Teretifolia is considered a preferred Melaleuca species suitable for planting within the wetland due to its flooding tolerance.</li> </ul>
	<ul style="list-style-type: none"> <li>• Contingency measures shall be included where appropriate.</li> </ul>
	<ul style="list-style-type: none"> <li>• All wetland management commitments are to be incorporated within the WRMP prior to subdivision stage.</li> </ul>
	Clarification was sought as follows:
	<ul style="list-style-type: none"> <li>• How the removal of the sand dune would not result in a significant change to the post-development hydrological regime of the CWW.</li> </ul>
	<ul style="list-style-type: none"> <li>• Whether the wetland vegetation, where a secondary path is proposed to traverse over, is located within a palusplain or a dune area.</li> </ul>

8) [page 97] With respect to the Armadale Redevelopment Area, how is 'walkable catchment' defined?

**Answer:** A 'walkable catchment' is defined by the Department of Planning's Liveable Neighbourhoods policy as the distance that a person can comfortably walk in 5 minutes to a destination, and is typically a distance of 400m. For the purpose of reporting on compliance with the MRA's Annual Report Key Performance Indicator 'Public Transit Access', the provisions of Liveable Neighbourhoods Appendix 3: 'The walkable catchment technique' were used to quantify the number of dwellings within a 'walkable catchment' of a public transport route.

9) [page 98] With respect to the Central Perth Redevelopment Area, why was the baseline non-MRA investment to MRA investment ratio only 1.7:1, whereas for the Armadale Redevelopment Area it was 51:1?

**Answer:** The methodology for Investment Generated figures is to compare the value of development applications received in a financial year within a project area or redevelopment area against the MRA's investment for that same financial year. The ratios are not comparable to other project or redevelopment areas.

- The ratio of 51:1 in the Armadale Redevelopment Area for 2012/13 represents the values of the private investment compared to the MRA spend in financial year 2012/13 within Armadale only.
- The ratio of 1.7:1 in the Central Perth Redevelopment Area for 2012/13 represents the values of the private investment compared to the MRA spend in financial year 2012/13 within Central Perth only.

Note that as at 2012/13 the majority of the MRA's projects were in planning phase, compared to 2015/16 where the majority are in full delivery phase.

10) [pages 96 to 100] What are the criteria for 4, 5 and 6 Green star ratings?

**Answer:** The Green Star ratings are as per the Green Building Council of Australia's ratings system, which is based on a points allocation system (and achievement of an associated star rating) for meeting certain sustainability criteria across a number of categories.

11) [pages 47-48] Noting the Auditor General has delivered an unqualified audit of your financial statements, have you had any other feedback from the Auditor General regarding your agencies financial and performance reporting in the current annual reporting period?

**Answer:** No.

12) [page 52] Please explain the variance between 2016 (\$151.1 million) and 2015 (\$209,000) for infrastructure under 'Non-Current Assets'.

**Answer:** The variance is due to the creation of infrastructure assets at Elizabeth Quay.

13) There appears to be four typographical errors in your annual report (page 27, 2<sup>nd</sup> column, 'this year the year'; pages 45 and 46, column entitled 'Stronger Focus on Regions', 'The MRA's purpose is to deliver redevelopment project of strategic significant', should be 'redevelopment projects of strategic significance'; page 86, has a column for 2016 Estimates as for page 85, yet on page 86 it states 'Significant variances between actual results for 2016 and 2015).

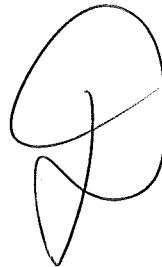
a) What is your department's process for proof reading your annual report before it is published?

**Answer:** The annual report is proof-read multiple times by multiple parties during production and prior to print.

b) How will these errors be corrected?

**Answer:** While the typographical errors do not affect the accuracy of the information reported for the agency, they will be corrected and a revised version of the report will be uploaded to the MRA website.

It should also be noted that the MRA was recognised in the Office of the Auditor General's Audit Results Report: Annual 2015-16 Financial Audits as one of the 2016 best practice agencies for financial reporting and controls. The Auditor General acknowledged the performance of the MRA in the timely preparation for audit, high quality financial and key performance indicator reporting, and maintenance of good financial control.

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