



Minister for Planning; Disability Services

Mr Mark Warner
Committee Clerk
Estimates and Financial Operations Committee
Legislative Council
Parliament House
Perth WA 6000

Mark
Dear Mr Warner

2016-17 BUDGET ESTIMATES HEARINGS – METROPOLITAN REDEVELOPMENT AUTHORITY: ANSWERS TO QUESTION TAKEN ON NOTICE D1 & D2

Thank you for the letter dated 26 July 2016 from the Chairman of the Standing Committee on Estimates and Financial Operations, Hon. Ken Travers MLC.

Please find the responses to your request for further information in relation to Questions D1 & D2, listed below:

1. *A breakdown for each of the four food and beverage outlets' rent free period; and their allocation from the total capital contribution of \$870,800.00 plus GST.*

Lessee	Rent Free Period	Capital Contribution
V Burger	6 months	\$ 35,000
Gusto Gelato	3 months	\$ 35,800
The Reveley	6 months	\$ 200,000
Isle of Voyage	24 months	\$ 600,000

Total: \$870,800*

*Contribution values vary for each lessee based on a number of considerations, including venue seating capacity, licence provisions which govern revenue generation and the complexity involved with fitout of a heritage building.

2. *Noting that each outlet's plant and equipment will remain as "assets owned by the MRA":*

- a. *what is the expected life of each outlet's plant and equipment?*

The MRA's capital contribution to each outlet has been expended by the lessees on plant and equipment integral to the building. The Australian Accounting Standards provide that where plant and equipment is integral to the building (such as air conditioning), it is included in the value of the building and therefore not depreciated as a separate asset.

- b. *is the Authority responsible for the ongoing repair and maintenance of the plant and equipment and if so how much has been allocated for this function?*

Repair and maintenance of the premises, including the plant and equipment, is at the lessee's own expense. The lessee, under the lease arrangement, is required to maintain the

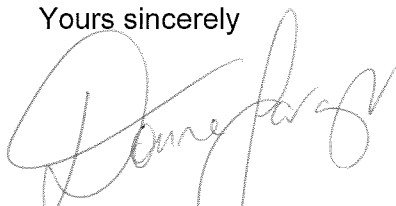
premises, including the plant and equipment, in the same condition as at the commencement date of the lease.

- c. will each outlet part contribute to the ongoing repair and maintenance of the plant and equipment and if so at what stage of the agreement? Are the outlets required to return the items at the end of their lease and if so in what condition?*

As outlined in Question 2(b), repair and maintenance of the premises including the plant and equipment is at the lessee's own expense.

The lessee must, at termination of the lease, yield and deliver up possession of the premises to the MRA in good and substantial repair and condition. Any plant and equipment which, in the reasonable opinion of the MRA, form an integral part of the premises would remain with the premises.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Donna Faragher', written in a cursive style.

Hon Donna Faragher JP MLC
MINISTER FOR PLANNING