

PERRY LAKES REDEVELOPMENT — ANNUAL REPORT 30 JUNE 2008

This report of the Perry Lakes Redevelopment Project is prepared in accordance with Section 40 of the Perry Lakes Redevelopment Act (2005) (Act).

The Act provides for the construction of replacement sporting facilities for athletics, rugby and basketball on AK Reserve and adjoining land, and for the redevelopment of the old stadium site for housing.

Perry Lakes Land (redevelopment of old stadium site)

A sustainable approach to the planning and development of the aged Perry Lakes stadium site has been adopted by the Western Australian Land Authority (LandCorp). This has included balancing the requirements of the *Perry Lakes Redevelopment Act 2005* (financial and non-financial), State Government planning policy and community aspirations.

Accordingly, 2007/08 has seen significant progress in the planning and preparation for the redevelopment. A summary of the achievements is outlined below:

Statutory

- Compliance with Section 23 of the *Perry Lakes Redevelopment Act 2005* with consent to public notification of the Draft Redevelopment Plan (DRP) received from the Western Australian Planning Commission (WAPC).
- Public notification of the DRP for a period of 60 days in accordance with Section 24 of the *Perry Lakes Redevelopment Act 2005*.
- Continued community consultation throughout the public notification period which included; a stakeholder reference group meeting, public open day, circulation of the DRP to relevant stakeholders, newspaper and gazette notices, and publicly available copies of the DRP.
- Compliance with Section 25 of the *Perry Lakes Redevelopment Act 2005*, by receiving submissions on the DRP during the public notification period.
- In accordance with Section 26(1), (2) and (3) of the *Perry Lakes Redevelopment Act 2005*, public submissions were collated, with recommended responses made in a summary document that accompanied the submission of the DRP to the WAPC on 15 May 2008.

Other

- Work commenced on the drafting of a Wetlands Management Plan to manage stormwater retention within the wetland buffer and guide the rehabilitation and revegetation of the East Lake edge adjacent to the redevelopment area's western boundary.
- A project architect was appointed to assist in the development of the Design Guidelines and Detailed Area Plans. They will also assess future development approvals prior to their submission to the WAPC - in accordance with Section 32 of the *Perry Lakes Redevelopment Act 2005* - to ensure compliance with this document/s.
- Detailed engineering and landscape design commenced.
- Demolition began on a number of toilet blocks that had become rundown and unsafe for public use.
- Tree pruning commenced to remove dead wood, dangerous branches and improve the health of the existing trees.

During the year, LandCorp assumed full facilities management and event booking responsibilities for the old stadium site from the Town of Cambridge. Savills Australia was subsequently appointed to manage these responsibilities on LandCorp's behalf. LandCorp has also continued to consult with existing tenants and site users to resolve project staging and assist, where possible, with relocation issues.

As of 18 July 2008, final approval of the Perry Lakes Redevelopment Plan by the Minister for Planning and Infrastructure was published in the Government Gazette in compliance with Sections 26, 27 and 28 of the *Perry Lakes Redevelopment Act 2005*.

AK Reserve Sporting Facilities

2007/08 has seen significant progress in the planning and construction phase of the replacement of sporting facilities at AK Reserve, with the Department of Sport and Recreation assisting the AK Reserve Minister in this regard. A summary of the achievements is outlined below.

Statutory

- Collation of public submissions regarding the *Draft AK Reserve Redevelopment Plan* in accordance with Section 25 of the *Perry Lakes Redevelopment Act* (2005).
- Compliance with sections 26 and 27 of the *Perry Lakes Redevelopment Act* (2005) in the approval of the *AK Reserve Redevelopment Plan*.
- Gazettal of the *AK Reserve Redevelopment Plan* under Section 28 of the *Perry Lakes Redevelopment Act* (2005).
- Submission and approval of the *AK Reserve Redevelopment Plan North West Precinct Development Application* under sections 32, 33 and 34 of the *Perry Lakes Redevelopment Act* (2005).
- Commencement of a Transport, Access and Parking Management Strategy for the athletics and basketball stadiums as required by the WAPC.
- Completion of the AK Reserve Flora Corridor Management Strategy and submission to the WAPC for approval.
- Environmentally Sustainable Development initiatives included in the designs of the athletics and basketball stadiums in accordance with Section 12 of the *Perry Lakes Redevelopment Act* (2005).
- Application and approval received for a Clearing Permit from the Department of Environment and Conservation.

Athletics

- Completion of tender documents for the athletics stadium including all drawings, specifications and bill of quantities.
- The tender for the athletics stadium was advertised in October 2007 and the construction contract awarded in early January 2008.
- Tender, evaluation and award of nominated subcontracts for the stadium lighting, track surface and timing equipment completed.
- Advanced shop detailing of structural steel and pre-cast concrete elements completed.
- Construction of the main grandstand commenced, and forming of the spectator banking and excavation to arena playing level completed.

Basketball

- Completion of tender documents for the basketball stadium including all drawings, specifications and bill of quantities.
- The tender for the basketball stadium was advertised in October 2007 and the construction contract awarded in early January 2008.
- Excavation of the basement car park completed and construction of the ground floor slab and first floor support columns underway.

Rugby

- Appointment of a project architect for the design of the rugby facility.
- Completion of schematic design of the rugby facility and progress towards design development.
- Ongoing consultation with Rugby WA in the design of the rugby facility.
- Appointment of an environmental auditor under the requirements of the *Contaminated Sites Act* (2003).
- Completion of a Sampling and Analysis Plan and Preliminary Site Investigation for Contamination reports required under the *Contamination Sites Act* (2003).

Other Achievements

- Commencement of a business plan for the athletics and basketball stadiums.
- Development of management models for the facilities and the precinct.
- Completion of design development for the public art projects.

Financial Provisions

The Perry Lakes Redevelopment Project will be funded mainly from the sale of the Perry Lakes land and the State's contribution to athletics.

The finances are managed through two Special Purpose Accounts (SPA), the Perry Lakes Trust Fund (Fund), and the Sport and Recreation Athletics Facilities Account (SRAFA).

The State's contribution to athletics, being 48% of the cost of the design and construction of the athletics facility, is managed through the SRAFA. The contribution is received through a grant for the Department of Sport and Recreation.

All other costs of the project are managed through the Fund, which is supported by borrowings from the Treasurer repayable from revenue proceeds from the sale of the land, which are expected to flow from January 2010.

The Perry Lakes land was acquired from the Town of Cambridge in accordance with Sections 6 and 7 of the Act. AK Reserve was acquired from the Town of Cambridge in accordance with Sections 6 and 8 of the Act.

Interim Management of Perry Lakes Facilities

Landcorp manages the existing sporting facilities pending their relocation. The revenues and expenses of this arrangement are transacted through the Perry Lakes Trust Fund.

Financial Statements

SCHEDULE OF EXPENSES AND INCOME

	2008 \$'000	2007 \$'000
Expenses		
Employee benefits expense	-	91
Finance costs	1,150	7
Supplies and services	174	219
Facilities management	296	305
TOTAL EXPENSES	1,620	622
 Income		
Interest revenue	41	33
Other revenue	190	327
Grants and Subsidies	3,402	6,700
TOTAL INCOME	3,633	7,060
Surplus/(Deficit)	2,013	6,438

SCHEDULE OF ASSETS AND LIABILITIES

	2008 \$'000	2007 \$'000
Current Assets		
Cash	7,065	6,224
Accounts receivable	28	7
Total current assets	7,093	6,231
 Non-current assets		
Land at fair value (i)	89,096	64,620
Construction in progress	18,797	3,660
Total non-current assets	107,893	68,280
 TOTAL ASSETS	114,986	74,511
 Current liabilities		
Accruals	-	66
Creditors	-	96
Total current liabilities	-	160
 Non-current liabilities		
Interest Payable	1,157	6
Borrowings	27,878	3,307
Total non-current liabilities	29,035	3,313
 TOTAL LIABILITIES	29,035	3,473
 Accumulated surplus/deficit	64,601	62,588
Asset revaluation reserve	21,350	8,450
Total Equity	85,952	71,038
 Total Liabilities and Equity	114,986	74,511

(i) Notes to the Schedules of Administered Items – Land values

Land is measured at fair value based on independent valuations provided by the Western Australian Land Information Authority (Valuation Services) at 1 July 2007. The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. Fair value has been determined on the basis of current market value where an active market exists or current use where no market exists and/or the current land use is specialised in nature. Revaluations are made with sufficient regularity to ensure that the carrying value of land does not differ materially from its fair value at reporting date.

Special Purpose Accounts

	2008 \$'000	2007 \$'000
Perry Lakes Trust Fund		
Opening balance	35	2,405
Receipts:		
Hire Charges	156	-
Interest Income	20	39
Other Revenue	38	341
Treasurer's Advance ¹	<u>24,571</u>	<u>666</u>
	<u>24,785</u>	<u>1,046</u>
Payments:		
Athletic – construction	(3,223)	(307)
Basketball – construction	(7,471)	(1,284)
Rugby – construction	(650)	(289)
Land	(11,576)	-
Land development	(1,080)	(943)
Facilities management	(330)	(499)
Other expenses	<u>(41)</u>	<u>(94)</u>
	<u>(24,371)</u>	<u>(3,416)</u>
Closing balance	<u>449</u>	<u>35</u>
Sport and Recreation Athletics Facility Account		
Opening balance	6,189	0
Receipts:		
Grant	3,402	6,700
Payments:		
Construction – work in progress	<u>(2,975)</u>	<u>(511)</u>
Closing balance	<u>6,616</u>	<u>6,189</u>

Note 1: The Treasurer's Advance as at 30 June 2007 is the net of the borrowings from the Treasurer of \$3.307 million and repayment of the advance of \$2.641 million

The Fund holds funds received pursuant to Section 42 of the *Perry Lakes Redevelopment Act 2005* for application in accordance with Section 43(1) of that Act.

The Perry Lakes Redevelopment Project forms part of the assets, liabilities, and income and expenses that the Department for Planning and Infrastructure administers on behalf of Government. The Department's financial statements are audited by the Office of the Auditor General.