

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: West Basin and Waterfront Development

Talking Points

- The West Basin waterfront will be a vibrant destination, where people meet, celebrate and enjoy one of Canberra's greatest assets, Lake Burley Griffin.
- Construction of the first stage of the West Basin waterfront, 150 metres of boardwalk from Commonwealth Avenue Bridge, was completed in June 2017.
- The boardwalk will be opened to the public following completion of the adjoining park (Point Park).
- Construction of the adjoining park is well advanced and is due to be completed in early 2018. A public consultation process has been undertaken to officially name the park.
- The total cost of Stage 1 works (boardwalk and Point Park) is approximately \$13.598 million. The spend to 30 September 2017 is \$8.560 million.
- The 2017-18 Budget provides the City Renewal Authority \$37.738 million over three years from 2017-18 for construction of the second stage (Works Package 2A) of the West Basin waterfront (comprising capital of \$37.388 million and expenses of \$0.35 million).
- This work comprises lake bed reclamation and construction of the remaining 500 metres of new lake wall and boardwalk, which will facilitate future land release in West Basin.
 - Associated infrastructure works will include the demolition of the ferry wharf and the former boat and bike hire buildings.
- Works are expected to commence in the second half of 2018 subject to works approval from the National Capital Authority (NCA), and take approximately 18-months to construct.
- Commencement of work is dependent on the Territory acquiring a section of the lake bed from the Commonwealth to facilitate the reclamation works. These negotiations are ongoing and are expected to take a number of months to finalise, as the acquisition is being discussed in conjunction with other strategic land related matters between the Territory and the Commonwealth.
- A third and final stage of the waterfront public realm development will deliver a waterfront promenade, parks, plazas and pavilions; with the development of this stage also subject to NCA Works Approval and funding through a subsequent budget. The expected cost of this stage is around \$30 million.
- The community was invited to vote on the name of the park from four short listed historic figures. The four nominated names, chosen by the place names committee, were Sylvia Crowe Park, John Gale Park, Henry Rolland Park and John McLoughlin Park. Henry Rolland Park was the popular choice through the public poll, receiving over 600 votes.
- The first mixed-use land release in West Basin is not expected until the mid-2020s.
- Ultimately when fully developed, the precinct will provide:
 - Public use (estimated at approximately 4.3 hectares)

Cleared by: Nicholas Holt

Ext: x79646

Action officer: David Hughes

Ext: x56744

Correct and accurate as at:

Page 1 of 3

- Residential/commercial and retail mixed-use (estimated at approximately 6.7 hectares, this includes a road and footpath network)

replacing approximately 3 hectares of surface car parking.

Background

A Works Approval application for the construction of the entire West Basin Waterfront was lodged with the NCA in September 2015.

In May 2016 the NCA granted conditional Works Approval for Point Park, the first 150 metres of boardwalk and signalised intersections on Commonwealth Avenue (Works Package 1A). Works Approval for an amended Point Park design, incorporating a shared zone to replace Barrine Drive, was granted in May 2017 (Works Package 1B).

Construction of the signalised intersections at the junction of Commonwealth Avenue and Albert and Corkhill Streets has been deferred, as the intersections will need to be redesigned to accommodate light rail. (This project will be subject to additional funding).

The boardwalk is 8.1 metres wide and constructed of precast concrete, sourced from South Australia. It sits just above the water level.

- The boardwalk construction materials were subject to an extensive design development and refinement process. They were also discussed extensively as part of the NCA's Design Review Panel process in 2014; included in designs released by the Land Development Agency for public comment in July 2015; and detailed clearly during public consultation as part of the NCA's works approval process in September 2015.
- Precast concrete was determined to be a more robust and durable material for the boardwalk than timber, and provides a more uniform surface for improved accessibility.
- Timber features in the Griffin Marker light deck, kayak cove and round pontoon structures that extend into the lake.

Point Park will be situated between Menzies Walk at Commonwealth Avenue Bridge and Albert Street in the north. It will include public amenities such as fitness equipment, barbeques and landscape enhancements. The project will involve Barrine Drive transitioning to a shared zone until the creation of new intersections on Commonwealth Avenue, at which time Barrine Drive will be closed.

The delivery of Stage 2 works requires the reclamation of an area of the lakebed comprising 28,600 square metres, which will require approximately 70,000m³ of fill. Accordingly, the Commonwealth and the Territory are required to establish an agreement that will allow the Territory to acquire this land and build the proposed public infrastructure on it. A similar agreement was negotiated in respect of Kingston Foreshore. The Commonwealth and Territory are progressing these negotiations in good faith, however it is unlikely agreement will be reached in time to allow the commencement of construction, originally scheduled for early 2018. A commencement in the second half of 2018 is more likely.

The West Basin public waterfront work will provide a valuable community asset and significantly

increase the value of the land between the waterfront and City Hill, enhancing the return to government from future land sales. This will provide for the development of a high quality public waterfront, and create additional area of developable land.

The sequence of land release by the City Renewal Authority is scheduled to progress from the city towards the lake. Land release in West Basin is not expected until the mid-2020s.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: Westside Acton Park

Talking Points

- In May 2017 the Government announced the Westside Village roof-top podium would be relocated to Stromlo Forest Park, where it will continue to provide a space that will benefit Canberrans and visitors.
 - Decommissioning and make good of the Westside site in West Basin site has been completed.
 - Installation of the structure at Stromlo Forest Park is anticipated to be completed at the end of October 2017.
 - Total expenditure on Westside at its closure (30 April 2017) was \$1.97 million.
 - The current estimated cost to relocate the Westside roof-top podium to Stromlo Forest Park and make-good the existing site is estimated at \$805,000. This includes all fees, supervision and contingency. A provision of up to \$813,000 was agreed by the former Land Development Agency Board in May 2017.
 - The total amount received in commercial rent for the period since the Westside Village was established until 1 January 2017 (when the container leases transitioned to a peppercorn lease in advance of the Westside closure) was \$129,680 (including GST).
 - During its operation, over 50 major organised events are estimated to have attracted more than 100,000 visitors. Visit numbers for attendance outside organised events have not been estimated.
-

Background

Westside was a temporary village located on the shore of West Basin in Lake Burley Griffin. It was an urban play space for the community to come together, celebrate and enjoy the central parts of the National Capital. It hosted cafes, a roof-top and courtside bar, and private and public events. Originally contracted to Stromlo Stomping Grounds, management of the Westside Village was surrendered to Government effective 11 August 2015.

While the Government would have liked Westside to continue operation while the West Basin waterfront public realm development was underway, an extended works approval for 2.5 years was not supported by the National Capital Authority (NCA). The NCA advised the Territory that the site must be restored to its previous condition by 19 November 2017.

On 21 December 2016, the ACT Government announced Westside would cease trading at the end of April 2017. It closed on 30 April 2017.

A number of vendors, such as Daana and Miss Van's Vietnamese, have successfully used Westside Village to kick start their business and expand to permanent locations.

Cleared by: Nicholas Holt

Ext: x79646

Action officer: David Hughes

Ext: x56744

Correct and accurate as at:

Page 1 of 2

- 13 businesses held leases at Westside during the period of government operation (August 2015 – April 2017).

On 25 June 2016, Westside Village (Cox Architecture) was awarded the Sustainable Architecture award at the Australian Institute of Architects' 2016 ACT Architecture Awards. The award recognises projects that excel as architecture and also display innovation and excellence in terms of environmental sustainability.

Westside Village was featured in a television show produced by Southern Cross Ten, entitled "Pushing the Boundaries" in July 2017. ACT Government Architect, Catherine Townsend interviewed the architect of Westside in January 2017. Stock footage was provided to the producers showing the site activated at major events such as Art Not Apart.



Two containers will be relocated to Stromlo together with the majority of the roof top podium. Nine other Territory owned containers were transferred to the following agencies for use:

- the Environment, Planning and Sustainable Development Directorate requested two containers
- the Suburban Land Agency requested two containers
- the Suburban Land Agency and its Riverview development partner requested two containers
- Active Canberra requested three containers.

The owners of the two Westside containers that are fitted out to operate as cafes were invited to tender for the sale of the containers to the Territory. Miss Van's was assessed suitable, and their fitted out container will be relocated to Stromlo. The unsuccessful tenderer will look at other options for the sale of its asset.

- Operation of the cafe and bike support facility at Stromlo will be determined through separate public tenders. The tenders will establish the revenue sharing or rental arrangements.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: Parkes Way

Talking Points

- Feasibility and early concept work for the re-design of Parkes Way was previously progressed by the Land Development Agency/Economic Development under the City to the Lake project.
 - Further development of this work is now being managed by Transport Canberra and City Services (TCCS). This will ensure the significant design interdependencies between the proposed light rail stage two corridor to Woden and the Parkes Way design are properly managed.
 - The City Renewal Authority (the Authority) is engaging closely with TCCS, to ensure that initial concepts for proposed work achieve sound urban design outcomes, and will contribute to urban renewal along the Parkes Way corridor.
 - The Authority also recognises that Parkes Way represents a significant physical barrier between the City and the lake. In that context, it is also particularly interested in ensuring that connectivity between the two is dramatically improved, particularly for active modes of travel such as pedestrians and cyclists.
-

Background

The Authority understands that a business case in respect of Parkes Way will be presented to Cabinet in November 2017. This business case will propose the staging of the works to suit either traffic demand or the Authority's land release program.

The business case is categorising the work in three ways:

1. Work required immediately to facilitate Light Rail Stage 2.
2. Work required to Parkes Way to suit traffic demand as Canberra grows (this primarily relates to major intersections at Corranderk Street, Edinburgh Avenue and Anzac Parade).
3. Work required to facilitate urban design outcomes and land development (this includes land bridging, pedestrian overpasses, and the potential narrowing of the road corridor).

It is possible that the third category will be delivered by the Authority in conjunction with adjacent land release. How this work will impact on the Authority's budget is being modelled for consideration by Treasury in the Budget context.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: Australia Forum

Talking Points

- In 2014-15 \$1.5 million was provided to bring Australia Forum to 'investment ready status'. Treasury was funded \$200,000 to develop the single assessment framework business case and Economic Development (ED) received \$1.3 million to develop a reference design and a range of economic analyses.
- In October 2014 ED/Land Development Agency (LDA) engaged architects to complete a reference design for the Australia Forum. GMB+Fukasas were appointed after winning a design competition to complete this work. GMB is a local Canberra based firm, while Fukasas is an Italian based architectural firm. The winning design was publicly released in June 2015.
- In March 2016, Treasury engaged KPMG to deliver a Strategic Options and Delivery Analysis, which undertook financial modelling of a range of options in addition to the reference design.
- The estimated cost of delivery of the reference design is around \$700 million in 2015 dollars, excluding land and enabling infrastructure costs (which are significant).
- While the financial analysis reveals that Australia Forum would deliver a Cost Benefit Ratio approaching 1, the reference design in itself would not appear to be a commercially attractive proposition.
- This is because a significant proportion of the benefits assessed through the financial modelling are related to spending by the delegates on accommodation, meals, tourism and incidentals. That is, the benefits are linked to the broader economy which while important, is not contributing to the commercial viability of the Australia Forum per se.
- The modelling indicates Australia Forum itself, would be expected to run at a loss of around \$4 million per annum.
- To the ACT, an upfront-capital cost of \$700 million is simply unaffordable without a significant Federal Government contribution. The Federal Government has shown no interest in contributing to the project.
- While Public Private Partnership (PPP) options are potentially available to finance the upfront capital cost and potentially the operation of the centre also, noting a capital cost of \$700 million and a projected ongoing loss of \$4 million per annum, the Territory Government would face a significant ongoing commitment against its Budget under any PPP model.
- Further, given the recent significant expansion of convention centre capacity in Sydney, Melbourne and Adelaide there are concerns that nationally, market capacity will be exceeded in the medium term.
- Earlier discussions with the events and convention community indicated that success for this new facility was likely to be best realised by targeting the vision of hosting government events of national and international importance and not simply by competing with other states for the traditional convention centre market.

- The Government has concerns that even with a Commonwealth Government commitment to Australia Forum this may be difficult to turn into actual major Government events such as the G20 or APEC, given the need to circulate Commonwealth and international events around a significant number of countries and/or cities.
-

Background

It's recognised that a strongly performing convention centre is a vital contributor to economic growth and diversity to the Territory's economy. The Territory continues to invest in its facilities, with significant refurbishment works completed over recent years, with a further \$5.4 million invested in 2015-16 and 2016-17. This work included:

- upgrade of the main foyer, including the replacement of carpet and seating, and upgrade of the box office and reception area
- extension of the hearing loops for those with hearing impairment
- replacement of theatre seating
- public bathroom refurbishment
- other minor works.

The Territory has also recently invested \$375,000 in making the National Convention Centre Canberra (NCCC) a home for the Canberra Capitals. The University of Canberra has also co-invested a further \$125,000. The first game was on 6 October 2017, and the Capitals will play ten games at the venue this season. The court will for the first time, bring elite sport into the city's heart – a new venue for one of Canberra's premier elite female teams.

Further works are planned for this year, including a \$0.6 million kitchen upgrade later this financial year. These works are in addition to a major \$30 million refurbishment project of the NCCC that was completed in October 2007; and show the Government is committed to ensuring that the NCCC remains competitive at attracting conferences and events to Canberra.

To further leverage Canberra's competitive advantage and attract business events and conventions to Canberra, the Government through VisitCanberra provides funding to the Canberra Convention Bureau (CCB). The Government is increasing funding over coming years, to provide \$1 million per year in base funding, and an additional \$950,000 per year over the next four years.

Through the new four year funding agreement, currently being negotiated with the CCB, the Government will be seeking an even stronger alignment with the ACT 2020 Tourism Strategy, including offshore activity and a stronger focus on attracting conferences/seminars relative to the Government's key capability areas of:

- Education and Research
- ICT and e-Government
- Defence and Cyber Security
- Space and Spatial Science
- Health and Sports Science
- Renewable Energy.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: City Stadium and Aquatic Facilities

Talking Points

City stadium

- Delivery of a city stadium is a medium term priority for the Government. In time, feasibility options will be undertaken to determine the best approach to delivery.
- The stadium site (Section 37, City) is impacted by the timing of the relocation of the Canberra Olympic Pool and the realignment of Parkes Way. Work on the stadium will not begin until these matters are resolved.
- The Chief Minister has made public statements regarding the commercial viability of a \$350 million stadium and the need for the ongoing presence of three professional ACT sporting teams (Brumbies, Canberra Raiders and A-League soccer) to rationalise the investment.

West Basin aquatic facility

- The Territory and the Australian National University (ANU) considered cost sharing arrangements to construct a new publicly accessible 50 metre swimming pool in the ANU Student Hub on University Avenue. The result of those negotiations was to shift a disproportionate cost to the Territory and current indications are that the ANU will proceed independently to construct a 25 metre publicly accessible pool.
- The Territory has called for expressions of interest to construct a new Aquatic Centre in Stromlo Forest Park, adjacent to the Molonglo suburbs of Wright and Coombs. The brief for the design and construction of the Stromlo Aquatic Centre requires that the facility can be expanded to include a 10 metre diving platform and diving pool.

Background

The Canberra Olympic Pool has a number of maintenance and structural problems that add to the annual operating costs and which will ultimately require the facility to be closed.

The construction of a new 25 metre public pool at ANU and the inclusion of diving facilities in the Molonglo facility means that the Government could consider closing the existing Canberra Olympic Pool in Civic.

Achieving most existing aquatic facility requirements across the ANU and Stromlo would allow the proposed West Basin aquatic development to focus on creating an outdoor water based recreation park, the characteristics of which could include:

- publicly accessible outdoor informal water play that would be fully managed during the warmer months of October to March and closed over colder months
- family barbeque and picnic facilities linked to the water play.

Cleared by: Nicholas Holt

Ext: x79646

Action officer: David Hughes

Ext: x56744

Correct and accurate as at: 24 October 2017

Page 1 of 2

Alternatively, the Government may consider more comprehensive indoor public facilities as part of the West Basin development.

The strategy outlined above addresses long standing deficiencies in the provision of aquatic activities related to:

- international university benchmarks and ANU student facilities
- lack of facilities in Weston Creek and Molonglo and the deterioration of the existing Phillip Pool
- provision of indoor all weather facilities close to Civic office workers and residents
- creation of water based family recreation in West Basin
- provision of a new 10 metre diving structure and pool at Stromlo that achieves contemporary safety standards.

\$0.4 million was provided in the 2017-18 Budget to the Environment, Planning and Sustainable Development Directorate for feasibility studies for the West Basin aquatic facility, including replacement facilities for the Canberra Olympic Pool.

It is proposed the \$0.4 million for the feasibility study will transferred to the City Renewal Authority, and be rolled over into 2018-19 to allow resolution of the planning for the ANU and Stromlo facilities. The City Renewal Authority will review the feasibility of the aquatic facility in the 2018-19.

ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT

ANNUAL AND FINANCIAL REPORT HEARING BRIEF

TOPIC: Glebe Park Acquisition

Talking Points

- The former Land Development Agency (LDA) purchased Block 24 Section 65 City from Glebe Park Pty Ltd in September 2015 for \$3.8 million (ex. GST). The block is a 1.233 hectare site between the Glebe Park apartments, Crown Plaza Hotel, the National Convention Centre and the Casino.
- Two valuations were undertaken for the site.
 - Opteon in August 2014 at \$0.95 million - \$1.05 million (ex GST), at an “as is” market value subject to all present lease conditions; and
 - Colliers in May 2015 provided a Discussion Paper identifying a range of \$2.8 million - \$4.6 million and recommended a \$3.6 million - \$3.8 million purchase price. Collier’s market value of the site represented the existing value of the site plus a percentage of the development rights resulting from a lease variation and payment of the Lease Variation Charge.
- The final purchase price of \$3.8 million (ex GST) was consistent with the range identified by Colliers and well within the total valuation range of \$2.8 million to \$4.6 million.
- The second valuation was sought to inform negotiations after agreement could not be reached with the land owner on a purchase price.
- A Ministerial Direction has been developed setting out the responsibilities of the CRA and SLA with regard to acquiring land, including preparation of a business case and Cabinet consideration.
- EPSDD are currently implementing processes to strengthen the policies and procedures concerning how valuations are to be sourced by the Suburban Land Agency and City Renewal Authority.
- These processes will require valuations undertaken to support land transactions for the City Renewal Authority and the Suburban Land Agency to be procured through a centralised team. A minimum of two valuations (which may include a valuation obtained by the seller) must be obtained and the valuations can be no older than 90 days or three calendar months. Where multiple valuations are obtained by Government to support land transactions, all suppliers must be provided with consistent instructions. Official records are to be maintained by the area requesting the valuation(s).
- The Glebe Park land purchase was the subject of an Auditor-General report. That report is currently before an active inquiry by the Standing Committee on Public Accounts and it would be inappropriate to comment further until that inquiry announces its findings.

Background

- The development of the City to the Lake project requires several major infrastructure improvements and upgrades to assist in unlocking the future potential of much of the land identified in the precinct.
- A major consideration for the project is the future configuration of Parkes Way. A realignment of the existing Parkes Way route would allow for the value and useability of the Parkes Section 3 development and the proposed stadium site to be maximised.
- To realign Parkes Way and maximise the use of the existing road reserves, the pond located at the intersection of Coranderrk Street will need to be relocated.
- The Coranderrk pond currently functions as a stormwater control pond and as the roundabout for the control of traffic entering and exiting Parkes Way at grade on the southeast of the city.
- The catchment to the pond extends upstream through Glebe Park toward Ainslie Avenue and further back to Mount Ainslie. Aside from Coranderrk pond, there are limited options to control stormwater flows into Lake Burley Griffin from this catchment.
- The land between the Convention Centre and Glebe Park (Block 24) was identified as being suitable for a replacement water quality control for the Coranderrk pond.
- The new water quality pond will improve water quality flows from Mount Ainslie and city east into Lake Burley Griffin. It will have the added benefits of improving the amenity of Glebe Park and the outlook of adjacent buildings.