

09 NORTHERN CORRIDOR EXPANSION

Yanchep-Two Rocks	Population	155,000
	Coastline	14 km
	Development Area	4,700 ha
Alkimos-Eglinton	Population	55,000
	Coastline	10 km
	Development Area	2,400 ha

Going north

New suburbs in Perth's far north will become home to more than 200,000 people over the next 20 years. Page 11

NEWS

ENGINEERING SLIDE

The number of engineers employed in WA shrank by 15 per cent last year.

Page 3

LOCAL CONTENT

The iron ore and gas industries tell very different stories for local suppliers.

Page 4

GREAT SOUTHERN

Rival bidders for timber plantations joust for pole position.

Page 7

PUBLIC SERVICE REFORM

Treasurer Troy Buswell uses red-tape war for broader reform.

Page 8

INSIDE

SALES TIPS

Jeffrey Gitomer explains how to build rapport with potential new clients.

Page 24

GUSTO

Meet the Vietnamese couple behind an acclaimed Thai restaurant.

Page 26



TREADGOLD IS BACK

Bystander columnist Tim Treadgold returns to WA Business News.

Page 6

GET DAILY
BUSINESS UPDATES!
www.wabusinessnews.com.au

BDO

BDO Kendalls

Let BDO Kendalls show you the money.

Chances are before too long it will be time to sit down with your banker and discuss renewing your company's debt facilities. This time around things are going to be very different! This is no longer the formality it was once. You and your company will need to be better prepared than ever before to retain or extend facilities. BDO has a dedicated Debt Advisory team which has established relationships with all major banks. We know the benchmarks they gauge you by and we know what they want to see. Our team will assist you with strategies that will give you the best chance of securing your debt requirements at the right price. Our local knowledge is combined with global expertise through BDO International, accessing a knowledge base spanning 110 countries. To find out how we can help your business through our distinctively different approach, contact our Debt Advisory team Director, matt.giles@bdo.com.au

08 9380 8400
www.bdo.com.au

Distinctively different – it's how we see you.

Developers' role to find jobs solutions

Mark Pownall
4-PAGE
SPECIAL REPORT

LAND development has changed substantially in the past decade or so.

No longer is it about carve and sell, the raw version of property sales that involves releasing vacant land for the punters to purchase.

These days the market and government demand amenities, controls on the way dwellings and good transport links.

Some take that further and suggest government has shifted the responsibility onto developers to solve issues such as law and order, to meet community health needs, provide sporting facilities and, increasingly, create long-term jobs.

The employment issue is certainly one that is a strong element of the sustainable approach sought for the northern corridor development.

Wanneroo mayor Jon Kelly is at the forefront of that debate as his city plays to host to one of the most dramatic growth phases in Australia's history. Hundreds of thousands of extra people will be living in his city by the middle of this century.

Mr Kelly is concerned that, without enough local jobs associated with the new northern developments, there will be too much pressure on the transport infrastructure back to central Perth, as well as a lack of

vitality and potential social issues in what effectively would be dormitory suburbs.

East of the current coastal region of residential development is the Neerabup industrial estate, which is expected to play an important role in keeping employment close to where people want to live.

Mr Kelly said Neerabup would create 20,000-30,000 jobs directly and 20,000 jobs indirectly if at full potential. However, that would still be 20,000-30,000 jobs short for what would be considered sustainable growth for the region.

That shortfall is why he is pitching for a major infrastructure development in area, with his ambit claim being the state's second casino licence.

Mr Kelly believes such a development as part of a tourist precinct would be a big job spinner, pointing to Burswood casino and resort complex, which employs 4,000 people.

"What I like about a tourism option is it doesn't have to be state money to build it," Mr Kelly said.

Locations for tourism developments abound on the northern coastline, although the track record of previous attempts has been poor (see page 14).

However, there are marinas proposed for Alkimos and Eglinton, as well as a coastal node in between those two sites. In addition are the existing Club Capricorn site at north Yanchep, existing harbour at Two Rocks and the



OPPORTUNITY: Jon Kelly is pitching for major infrastructure development, and sees tourism as part of the mix.

Sun City Country Club golf course.

Wanneroo has looked at many other options to increase the economic opportunities in its region, including the development of motorsport-linked industry and even a new civil airport, to relieve the flight traffic congestion at Perth Airport and development pressure around Jandakot.

Mr Kelly said the latter was

unlikely because of the close proximity of the Pearce airbase.

Currently, two such operations would clash. In addition there was also the potential that Pearce would cease to be a military airfield and the infrastructure could be used for civil purposes.

"You have to ask why you would replicate the infrastructure," he said. One potential employer is the Water

Corporation's fourth major wastewater treatment facility for Perth, which is scheduled for stage one completion next year at a cost of \$360 million for construction via a partnership including Brookfield Multiplex, Macmahon Contractors and Zublin.

Ultimately, the full Alkimos plant is expected to cost \$1 billion.

Mr Kelly said a lot more planning effort was focused on getting jobs linked to new urban development.

"One of the great anomalies for planning in the future is there is a lot of debate about what happens with the Perth CBD," he said.

"The debate needs to be a lot broader; it is not just about people going into the city for work."

Some involved in development of Alkimos-Eglinton and Yanchep-Two Rocks believe there is much greater pressure on them to create employment opportunities, something their predecessors in sub-divisions further south did not have to deal with.

However, Satterley Group's Nigel Satterley denies that his Brighton development in the Butler-Jindalee district got off lightly in this respect.

"The jobs issue was there from day one," Mr Satterley said.

"The government is looking for local jobs creation and training."

Mr Satterley points to The Brighton Training Shed for the wet trades, based at Lukin Drive, which he said had won a Prime Ministers Award, as an example of this.

Case Study #27: Raine Square Development

No Problems...

With the latest survey technology, Land Surveys has proactively contributed to the speed, accuracy and successful construction on the new Raine Square development..

...Just Solutions

Land Surveys, through Gallagher Group, has been involved from the very beginning of the development providing construction survey services. This included monitoring for deformation and movement of the retained Heritage Listed building facades using new 3D laser scanning technology.

With two massive lift core structures housing 19 elevators and Australia's first twin lift system, Land Surveys were entrusted to use innovative methods that guaranteed precise vertical tolerances over the entire 100 metre rise from basement to plant room.

In order to successfully link the basement retail precinct and the William Street tunnel to Perth's Underground Rail System, Land Surveys undertook design check surveys, both above and below ground, to ensure an accurate connection.

By partnering with Land Surveys, the developer, builder and contractors were assured that our proactive approach would alert any potential issues in design so they would be resolved well before they became construction problems. This ensured a successful project for all involved.

Land Surveys Perth (Head Office): 08 9477 4477
 Land Surveys Karratha: 08 9143 1744
www.landsurveys.net.au

Northern exposure boosts long-term plans

A 40-year dream is about to become reality near the dunes at the end of the Mitchell Freeway.



Mark Pownall
4-PAGE
SPECIAL REPORT

'SOUTH Geraldton' has long been the light-hearted tag for residential subdivisions north of Joondalup.

Something of a derogatory term reflecting the distance of this new urban sprawl from the centre of Perth, these newly minted suburbs may well have the last laugh.

Like the Mid West capital they are jokingly referred to, the tip of the northern corridor has a very bright future, with an estimated 40 years of near-continuous construction and development expected to take place, creating homes for as many as 250,000 people. That's not to mention marinas, commercial hubs and features of urban design that borrow from the best.

When Nigel Satterley talks of his Brighton development, about three quarters completed, he doesn't miss the key ingredient these days.

"Brighton is the busiest non-mining site in the state," Mr Satterley said, pointing out that 900 people are working in the area at any one time.

"Brighton is the busiest non-mining site in the state."

- Nigel Satterley

The former grazing lands are being turned into housing, realising the dreams of a past generation of entrepreneurs who wanted to create a beachside city of unrivalled amenity.

Some of the frills and extravagance may be gone, but there is no doubt that huge amounts of work will be generated in construction and enormous profits will be made.

WA Business News estimates that about 8,000 hectares of land remain to be developed on the coastal strip between the fresh new suburbs of Brighton and the northern border of Two Rocks.

There are more than 20 landholders in this region with parcels ranging from 15ha to, in one case, more than 2,000ha. There are pure developers, joint venture groups and government organisations.

It might sound like a long list but, in reality, this is not many developers to have in such a huge region, a factor some believe is quite unique.

In the case of the 2,600ha region encompassed by Alkimos-Eglinton District Structure Plan, there are just five landholders.

This consolidation has allowed an unusual amount of cooperation.

Take, for instance, the private funding of the extension of Marmion Avenue from Brighton to Yanchep. Capricorn Village has paid for the road with the agreement of the developers en route to pay their part as their land is developed.

"If it was 50 or 100 landowners it would be impossible," said Tasio Cokis of Woodsome Management, which is project managing the Alkimos-Eglinton district structure plan.

It is not just roads.

LandCorp chief executive Ross Holt has outlined the public transport system the developers would provide, offering a frequent bus service from the nearest train station through the initial developments right up to within Eglinton.

"We are trying to get everyone in the habit of relying on public transport from the start," Mr Holt said.

Not only does this fit with the state's increasingly green agenda for new developments, it also allows the developers to create a bit more density along the public transport corridors, something they view as providing a greater mix in housing options and improving the vitality of the area, increasing its marketability.

Getting higher densities in areas where there is demand is also much more profitable. Like any business they have weighed up the risk of up-front investment versus improved returns over time.

Another strong element among the landowners that talked to WA Business News was an emphasis on reducing the environmental impact where possible.

Some of the developers last week received federal environmental approval for their projects after overcoming the issue of destruction of habitat for the Carnaby's black cockatoo.

It is understood the arrangement includes seed collection from cleared areas and rehabilitation of land set aside at other locations, at ratios of as much as six to one, offset land for cleared land.

This is all part of the sustainable approach present in every conversation about the region - from transport, local jobs, energy use and water - which is why the developers are hoping for a commitment to get a train line through their area earlier than intended.

By way of example, the Satterley consortium pitching to joint venture with LandCorp used the consulting services of sustainability guru William McDonough, author of Cradle to Cradle.

An energy component has been considered by several developers - WA Carpenter is understood to have linked its Ocean Power Technology joint venture wave power plan off Yanchep to its Alkimos land development before selling out to Peet - but it appears most consider sustainable power is more likely a practical option in later stages.

Continued page 14



GRAND PLANS: Up to 40 years of near-continuous construction and development is expected to take place, providing housing and amenities for 250,000 people. Photo: Grant Currall



Who needs a backyard pool?



Port Coogee's limited number of Oceanside lots are calling you.

The sound of waves gently breaking. The crunch of sand beneath your feet. An early morning dip, or a snorkel on the Omeo wreck. It will all be on your doorstep when you build your dream home literally metres from the Indian Ocean at Port Coogee. But that's only part of the allure of this unique release. You will be able to simply stroll to the many attractions of Port Coogee's future vibrant marina village, including its inviting eateries, bustling boutiques, landscaped foreshore, parklands and cycle ways. Situated only 5km from cosmopolitan Fremantle, it is a rare opportunity not to be missed. To find out more call 13 38 38, or visit the Sales Office on Orsino Boulevard, North Coogee (Wed 2 - 5pm, Sat & Sun 1 - 5pm). www.portcoogee.com.au

A world-class marina village by the sea



THE ROAD NORTH

Next phase of urban development starting.

40-year program will create homes for 250,000.

Sustainable approach key - jobs, transport, energy, water.

Few landowners increases developer cooperation.

King's reign over the plain not in vain



Mark Pownall
4-PAGE
SPECIAL REPORT

KING Neptune has been waiting a long time for this.

Amid much anticipation of rapid development, a six-metre high statue was built almost three decades ago, facing southward from a promontory at Two Rocks towards Perth, 60 kilometres distant.

He is not a forlorn sight, and nor should he be, for the optimism at the time of his construction from limestone, concrete and scaffolding is returning.

All that the king surveys is rapidly changing. Not just a few houses around his coastal village, but it's expected as many as 90,000 dwellings will be built around his vantage point and to the south over the next few decades.

By 2050, more than 220,000 people could be living between Alkimos and Two Rocks. That number rises to 250,000 if you extend to areas south of Alkimos, a stretch of coastal dune that, at the beginning of this century, housed just a handful of people.

This was the vision alive at the time when King Neptune was built.

He was part of a tourism development, Atlantis Marine Park, which was one of many tourism attractions supposed to add vitality to the region, attracting business and people. Unlike the statue, most did not survive to see the expected growth occur.

Atlantis was built in 1981, on a sprawling cluster of sand dunes next to the existing Two Rocks harbour, with several spacious pools offering entertainment such as trained dolphins.

The park was closed to public in 1990 and the dolphins released to the wild some years later, as the hopes

of attracting further development faded.

The marine park was one of the more concrete attempts to develop the area in line with now discredited entrepreneur Alan Bond's Yanchep Sun City vision. A major property developer in the 1960s and early 1970s, Mr Bond was ahead of his time – a common issue for him, as time would show.

Another solid outcome from this period was the celebrated success at the America's Cup by Mr Bond's wing-keeled yacht, Australia II, in 1983. He had envisaged winning the race in the early 1970s so that he could host the event off Yanchep and so raise the profile of the area.

This plan stalled when, in 1974, his first challenger, Southern Cross, failed to win the cup.

The cup remained an obsession long after he had quit the Yanchep landholding and the 1987 defence was held off Fremantle instead.

Another real project was Club Capricorn, which still exists today nestled in the dunes between Yanchep and Two Rocks. Long past its prime, the resort is earmarked for redevelopment by the Capricorn Village joint venture, which now controls the land and has plans for a new tourism accommodation venture there.

There was also the proposed golf resort at Eglinton, which was much talked about in the late 1980s.

The creators of The Vines golf development bought a big tract of land under the name Deluxe Australian Golf Tours backed by a Japanese consortium.

It has been described as fitting the extravagant style of the time, with a huge amount of land devoted to entertaining very few people in a luxurious setting.

In those days, Queensland's Gold Coast was booming on the back of Japanese-funded developments and an influx of tourists from the rich Asian nation.



PATIENT WAIT: Built 30 years ago, the 6m-high statue of King Neptune has stood the test of time in an area set to undergo rapid change.

But by 1993 that dream was over and the huge land holding was sold to Eglinton Estates Pty Ltd, a company now controlled by the family of entrepreneur Martin Copley.

While that project never came to fruition, it has not entirely disappeared without a trace.

Part of the resort concept included a marina development for which all required approvals were secured. Eglinton Estates has retained the right to build the marina.

Another bit of the colour of the area is its link to WA Inc.

A 1992 report by the WA Legislative Assembly's expenditure review committee entitled 'Inquiry

into the proposed grant of land at Alkimos to the University of Notre Dame' outlines an unusual deal that never eventuated.

In effect, the proposed Catholic university was to buy into a 1,473-hectare site that would be developed in joint venture, with a significant proportion of the risk borne by the government.

The university was to be granted at least 100ha of land, on which it may or may not have built its educational facilities. In the end, the deal was never closed and Notre Dame set up in Fremantle, something many believe would have happened anyway.

Some of that proposed university land had an interesting history itself. About 1,000ha was bought in 1973 by a consortium of Perth businessmen for \$367,900. They sold it to the Urban Lands Council for just over \$3 million two years later.

The ULC, unusually, used a nominee company linked to Bond Corp's lawyers Parker & Parker, which itself had a common director with Bond Corp.

The land was sold to the WA Development Corporation for \$3.45 million in 1989. The inquiry found nothing untoward in these transactions.

Boost to long-term plans

From page 11

Instead they are focusing on requiring solar-passive design and other energy efficiency measures in dwellings to be built.

Eglinton Estates' Damian Malony said his company's development was slightly behind those of his southern neighbours and was still developing its local structure plan, so it was still early days as to exactly how it would turn out.

The current expected population for the 561ha development is up to 17,000 people.

"We are trying to increase that density," Mr Malony said.

"We are trying to preserve some of the dunal areas and to make that up with (increased) density."

The emphasis on the environment is not that surprising, given Eglinton Estates is controlled by the family of Martin Copley, an entrepreneur who made a fortune in the UK insurance sector. Mr Copley has developed other properties but he is better known as the founder of the Australian Wildlife Conservancy, which has bought huge tracts of environmentally sensitive land around the country for conservation purposes.

Observers will have to have to wait for much of the detail because LandCorp is just completing its beauty parade for a joint venture partner to lead the development of around 285ha of Alkimos land.

Three different developers – a consortium led by Satterley Group, Mirvac and Delfin Lend Lease – are vying to bring their touch to the area. The latter player, Delfin, is a newcomer to Western Australia but claims rich experience in these big integrated developments. Mirvac will be able to point to its own development experience, especially recent work at Mandurah, while Satterley has been active in the northern corridor for decades.

The initial development is expected to go along the southern boundary of Alkimos and hook up the coast. It includes a coastal stretch, which the Water Corp had marked for part of its massive sewerage treatment plant, expected to be worth about \$1 billion by the time all phases have been completed.

A marina is earmarked for this area of coast, one of two such infrastructure projects for the region that will have several coastal nodes to attract people, jobs and provide a unique destination for visitors and those living there.

There's no substitute for
craftsmanship

Over 20 Years Building Quality Homes

PERTH'S LEADING TWO STOREY BOUTIQUE BUILDER

Awarded 'Member of the Year 2008' Master Builders W.A.
Your Personal Builder, Malcolm Grant - Artique Homes



Create your new home with Artique today.
"together" we can develop your ideas into reality

Contact our Individual Design Consultant

John J Gray on 0408 099 233 for an appointment

Artique Homes 11/199 Balcarra Road, Balcarra WA 6021 T: (08) 9240 1142

W: www.artiquehomes.com.au E: enquiries@artiquehomes.com.au

Reg Builder No. 9669 Member MBA & HIA



Gains for region's patient landowners

Mark Pownall
4-PAGE
SPECIAL REPORT

IT is the land where Alan Bond infamously painted the sand dunes green to make the brochures look better.

That is the anecdote about Yanchep recalled by yachtsman John Bertrand in Paul Barry's book, *The Rise And Fall Of Alan Bond*.

Barry also wrote about the super salesman's dream of a city of 250,000, of Disneyland, of a Grand Prix circuit, of a hovercraft service to Perth and connection to the CBD via an expressway.

Nearly four decades later, much of that vision has evaporated like sea spray blown over the miles of banksia-strewn coastal heathland. But not all of it.

The people are coming and the freeway is following them.

The development of the northern corridor has been continuing at pace for decades but a new stage is commencing, arguably the end phase of the city's northward march of urban sprawl along the coast.

The state government's LandCorp is in the final phase in a long-running process to select a joint venture partner to develop the southernmost section of an area called Alkimos. This represents 285 hectares of a 710ha patch that the land development agency wants to turn into housing, commercial space and myriad other uses.

Running along the north of the LandCorp land is a syndicate managed by Peet, which has recently started clearing land on the newly finished stretch of Marmion Avenue. New signs proclaim this to be Shorehaven, a marketing name so fresh that no-one else involved in region's development appears to have heard of it.

Peet owns about 240ha of land, including a 1.7 kilometre coastal frontage, which it bought from Ric Stowe's WR Carpenter Pty Ltd in April last year. It paid \$300 million for the land, which it believes will take 12 years to fill with about 2,900 dwellings, yielding land sales of \$1.4 billion.

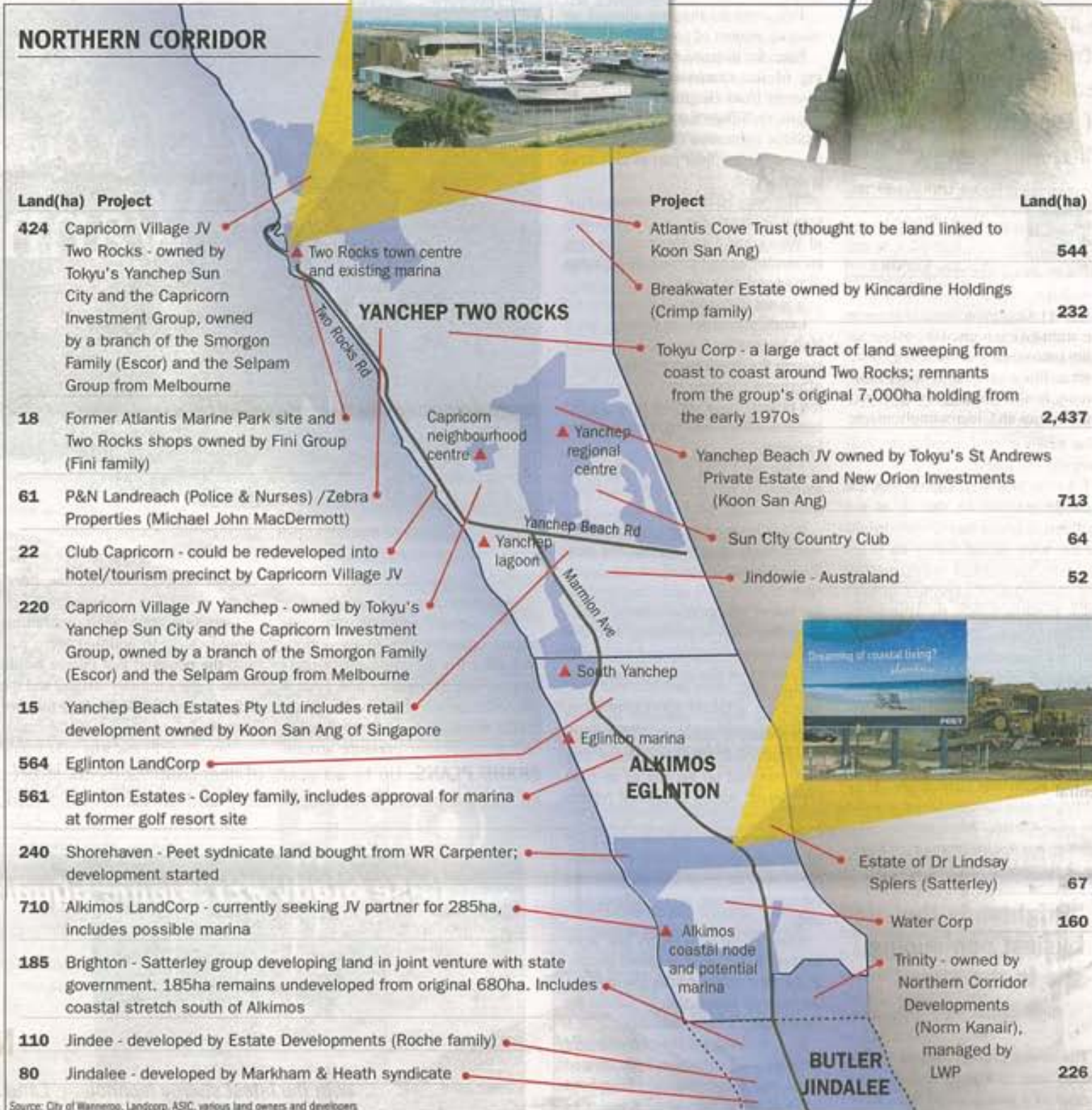
If that sounds impressive, just cast your eyes further north and let the numbers do the talking.

Eglinton Estates Pty Ltd, controlled by the family of entrepreneur and philanthropist Martin Copley, holds 561ha along the northern boundary of the Peet land, with at least as much coastal contact, not to mention approval for a marina complex.

LandCorp has a similar holding to that bordering Yanchep, an area where two offshore players have massive land interests they have started to develop.

The biggest of these is Japan's Tokyu Corporation, which originally went into joint venture with Mr Bond in the early 1970s after being sold on his vision for the region, known as Sun City. Tokyu soon bought out the Bond interests and held as much as 7,000ha in its own right.

Today that figure is reportedly much diminished, at 2,437ha, cutting a semi-circular swath around the inner core of Two Rocks and extending south to Yanchep. However, apart from selling land along the way, it also has interests in two joint ventures, allowing devel-



opment specialists to have management control.

Before the joint ventures, Tokyu's asset was considered the biggest metropolitan land holding under single ownership in Australia. It may well still be the case.

The first joint venture is with a consortium that includes part of Melbourne's Smorgon family. Called Capricorn Village, it has a total of 644ha in two big parcels. It is developing the smaller, 220ha area near

the terminus of Marmion Avenue. It is also thought that Mr Ang's Atlantis Cove Pty Ltd controls a further 544ha to the north east of Two Rocks harbour.

That gives Mr Ang a foothold on more than 1,250ha.

There are plenty of others.

The Crimp family, for instance, have a 232ha holding in the north-eastern corner of this region they have called Breakwater Estate.

They have just started marketing

between Alkimos and Brighton.

Controlled by property developer Norm Kanair, Northern Corridor's 2008 annual report shows that the land it held for sale had been valued at June 30 last year at \$81 million, compared to \$20.1 million listed as its cost of acquisition.

LWP is project managing the development of that holding, which is being marketed as Trinity. It will be split in three by transport corridors - Marmion Avenue and the rail-

Karl Paganin and home builder Da Alcock.

Ocean Springs is the compar behind the 680ha Brighton development, which includes areas such as Butler and Ridgewood. About 185ha of that land remains undeveloped along the southern boundary of LandCorp's Alkimos and Northern Corridor's patch.

Two other developments are taking place down the coast from Ocean Springs. The Roche family's Estate Developments has Jindee, while syndicate linked to real estate group Markham & Heath has Jindalee both of which are generally associated with Brighton development which dominates the Butler-Jindalee district structure plan, even though the two projects are separate.

The original Brighton blueprint called for 6,300 residential lots at an eventual population of 28,000 people.

The total investment is estimated to be around \$2 billion to build the infrastructure and bring the 7,000 dwelling community to fulfilment.

Extrapolate those numbers northward, where there is 10 times the land, and it could easily be a \$2 billion spend over the next four decades.

Those numbers sound similar to the ones being bandied about for the large oil and gas projects.

The development of the northern corridor has been continuing at pace for decades but a new stage is commencing, arguably the end phase of the city's northward march of urban sprawl along the coast.

Yanchep, with almost one quarter of that sold off. The larger parcel is near Two Rocks.

The second joint venture, a 713ha project called Yanchep Beach, is with the area's other big foreign holder, Singapore's Koon San Ang, the patriarch of a family investment company heavily committed to this area. His son, Gin Wah Ang, runs the Western Australian operations.

Mr Ang's Yanchep Beach Estates Pty Ltd is developing a retail shopping centre on 15ha of land on Yanchep Beach Road where it hits

rural blocks of 1ha or more from prices starting at \$369,000.

Other players, such as Australand, Police & Nurses, Fini Group, Satterley Group, LWP and the Roche family, all figure prominently with lesser but not insubstantial parcels through this area and to the south of Alkimos, where residential development is fast filling the last remaining gaps.

And there is plenty of profit in this investment.

Take Northern Corridor Developments Ltd, which holds 226ha east of Marmion Avenue