

BARRACK SQUARE TRADERS ASSOCIATION

Grievance

MR P. PAPALIA (Warnbro) [9.09 am]: I grieve today to the Minister for Transport on behalf of the Barrack Square Traders Association, and I acknowledge the presence in the gallery of a number of business owners from Barrack Square. Those people have taken the time to leave the operation of their businesses today to be here to witness this grievance in the hope that they will finally receive better treatment from the Barnett government.

In addressing this grievance to the Minister for Transport, I remind him at the outset that this is not question time. He does not get points in a grievance for playing to the backbench; for turning around, cracking a joke and grinning, and for not answering questions. The intent of the grievance is to elicit a response from the minister on behalf of the government.

Several members interjected.

The SPEAKER: Member for Churchlands, I call you to order for the first time. I think the minister can look after himself.

Mr P. PAPALIA: Obviously he does not have the confidence of his colleagues!

Several members interjected.

Mr P. PAPALIA: To assist the minister —

The SPEAKER: Members! Member for Carine!

Mr P. PAPALIA: Mr Speaker, can you stop the clock if they are going to interject so that I cannot be heard?

The SPEAKER: Member for Churchlands and member for Carine!

Mr P. PAPALIA: To assist the minister in staying on track and providing some direct response to the questions that the business owners would like me to ask, I ask the clerks to provide the minister with a copy of their questions so that he does not have to take notes. He will be able to refer to them later on when he stands to respond.

It is undeniable that the Barnett government's Elizabeth Quay project was always going to have a massive negative impact on the businesses at Barrack Square. That was obvious. It must have known that. It is also undeniable that the government is spending an extraordinary amount of taxpayers' money on the Elizabeth Quay development—\$430 million plus. So it is extraordinary that the businesses that have suffered the most as a consequence of this development have received shabby treatment from the government. It amounts to a dishonest and uncaring response from the government. I am sure the minister wants a list of the questions I am about to ask.

The SPEAKER: We are not taking documents across the chamber.

Mr P. PAPALIA: I will ask a few questions of the minister now and I would like him to respond on *Hansard*, with the business owners witnessing what he has to say. The traders at Barrack Square have been involved in meetings with the state government for four years about the planning of Elizabeth Quay and Barrack Street jetty. The traders have always been fearful of the impact these works would have on their businesses and have made the case for compensation payments. Despite this, the Barnett government has failed to take responsibility for the impact that its development has had on these businesses.

The first question I ask the minister is: why has the government not recognised the undeniable impact its development has had on Barrack Square businesses and established a clearly defined compensation process? The businesses in Barrack Square base their investment strategies on the completion dates provided by the government. This date has changed on six occasions.

The second question I have for the minister is: how can he refuse to provide proper compensation for businesses that invest and change their practices based on his government's advice, only to find that the advice was wrong and Barrack Square has remained a building site for far longer than was advised? The minister has agreed to consider 15 months' rent relief if businesses can prove their losses over the past three years. This will not meet the losses experienced by these businesses. Three businesses have already closed their doors.

Is the minister interested in the questions?

The SPEAKER: Carry on, member for Warnbro.

Mr P. PAPALIA: Millions of dollars have been lost.

Mr S.K. L'Estrange interjected.

Mr P. PAPALIA: This government has damaged these businesses irreparably and offered no proper compensation to date. If the member for Churchlands wants to interject, go right ahead, but he should understand that he is doing it in front of the business owners whose lives have been impacted.

The SPEAKER: Member for Churchlands, I have called you once; I do not want to call you a second time. I want to hear the member for Warnbro and then I want to hear the minister. Thank you.

Mr P. PAPALIA: Millions of dollars have been lost. Some business owners have sold their homes to continue operating. The third question they have for the minister is: how will the government compensate businesses for losses far in excess of 15 months' rent? Barrack Square businesses have been negotiating in good faith but have not been treated with respect by the minister's government or by his department.

The last question they would like answered is: why has the minister's department added a gagging and withdrawal of rights to claim compensation clause as a condition of new lease extensions at the square that forbids businesses from seeking compensation from the government for losses caused by the Elizabeth Quay development works in Barrack Square?

It is pretty simple, minister. The reason I want to provide him with those four questions is that I assumed that things like this would happen—that he would not even listen when I talked to him.

Several members interjected.

The SPEAKER: Member for Wanneroo!

Mr P. PAPALIA: There are people here who —

The SPEAKER: Member, sit down, please. Member for Wanneroo, I call you to order for the first time. Member for Warnbro, when I am on my feet and I am talking and I ask you to sit down, would you please sit down. Right, carry on.

Mr P. PAPALIA: Understand that people have sold their houses to remain in business because of what this government has done. It is no small matter. Members opposite are interjecting to defend a pathetic and incompetent minister but that is not a reason to overlook the impact that the government's project has had on these small businesses that were operating successful, viable businesses prior to the minister's decision to undertake the Elizabeth Quay development. It is reasonable for them to expect that the government that negatively impacted on their business would provide them with reasonable compensation for loss of earnings. Beyond the loss of earnings, there has been an impact on trade. Their trade has significantly suffered. They will never get that back. I know the minister will say, "In six months' time, Barrack Square will be completed. It will look nicer and it's all good; there are people coming." It is not true. They will never be compensated for this loss unless the minister does it now. Beyond that, some of these businesses will suffer directly from the impact of the hotel building site that will be right outside their front doors for the next couple of years. It is reasonable for them to come to Parliament to ask the transport minister, who is their landlord, to provide them with responses to four reasonable questions. It is not a difficult thing. The minister should show some compassion. He has a moral obligation to treat these people far better than he has treated them to date. The minister's behaviour when he went down there was embarrassing. This is his opportunity for some form of recompense.

MR D.C. NALDER (Alfred Cove — Minister for Transport) [9.16 am]: I would like to say at the outset that we are taking this issue very seriously. If the member for Warnbro wanted to treat this grievance properly, he would have provided advance notice of the questions rather than trying to make a political stunt during a grievance. The Barrack Square precinct is currently being revitalised to ensure it remains a key destination within the broader Elizabeth Quay project. In total, \$20 million will be invested in the precinct, which will have a new plaza providing a flexible space that will be able to hold large crowds for markets, concerts and community gatherings; an arbour; a new water feature around the Bell Tower; a revised road configuration with a high-quality stone finish; upgraded services; and seating, lighting and shade.

Several members interjected.

The SPEAKER: Member for Albany, I call you to order for the first time. Member for Warnbro, give the minister a chance.

Mr D.C. NALDER: Barrack Square will be the hub of the new Elizabeth Quay precinct and I am well aware that the current Barrack Street traders have experienced challenging times during the construction period. I acknowledge that it has been tough for them. As the landlord for many of the Barrack Street operators, I have taken the lead on behalf of the government—because I am not responsible for all of the leases down there—to provide financial assistance to traders during this challenging period, including the Swan River Trust lessees and sublessees, so that there is a consistent approach across government and no-one misses out on being included in the process. From my perspective, this is a very important aspect. I have twice met personally with the traders' group—

once on 10 June 2015 and then in a follow-up meeting just this week, on 10 August 2015. At both of these meetings, I had an open and frank dialogue with traders and some positive outcomes were achieved. At the first meeting on 10 June, I approved immediate assistance with the cost of building rental, and berthing, jetty mooring and storage licence fees for the period from 1 July 2015 to 30 September 2015 for all operators, including sublessees, who do not have a direct relationship with the Department of Transport as they pay rent to another party. This assistance was separate to the application processes for financial assistance and was universally given to all operators. The assistance for building rental was through either rent relief for operators who lease premises from the department or an act of grace payment for operators who are sublessees of premises. The Department of Transport has advised that all operators have now received this immediate assistance.

In mid-2014, I invited all lessees at Barrack Street Jetty to submit applications to the Department of Transport for financial assistance as a result of the impact of the Barrack Square Elizabeth Quay works. Fourteen applications were received and assessed. Seven were able to substantiate a financial loss and so received financial assistance via rental relief or an act of grace payment until practical completion of the Barrack Square works. Two others received a smaller amount of rental relief despite not being able to demonstrate a financial loss.

In addition to the immediate assistance, I also approved at my meeting with traders on 10 June 2015 that all operators be given an additional opportunity to submit a current application for further financial relief to cover the period from 1 July 2014 to the date of practical completion of the Barrack Square works to supplement the original financial assistance provided. This was due to many operators advising me that the 2014–15 financial year was the most difficult year for them. As the initial application phase assessed finances up to the 2013–14 financial year only, I considered it reasonable to give them another opportunity to update their applications to include the 2014–15 results. This current phase of applications for financial assistance also includes relief of berthing, jetty mooring and storage licence fees, which were not included in the first phase. This will provide assistance in particular to the charter vessel operators, who form an integral part of the tourism precinct at Barrack Square and who will be the hub of Elizabeth Quay activities when it opens in December 2015.

Businesses have been asked to submit financial information in the form of a profit and loss statement for the 2014–15 financial year, and comparable financial information back to the 2011–12 financial year. As taxpayers' money is involved, it is essential that the information provided be verifiable. I cannot write out cheques without proper financial information being provided, and the vast majority of operators understand that.

External assessment of the applications will ensure a transparent process, and the Department of Transport has undertaken to process each claim as quickly as possible. Four applications have already been received in this current phase and are being assessed. I am providing as much assistance as I am able to as Minister for Transport and landlord of Barrack Square. I have several senior staff members at the Department of Transport dedicated to assisting the Barrack Square operators through the application process, collectively and individually, as each trader has varying circumstances. I understand the diversity of the businesses from sole traders to larger organisations. Individual meetings have been held with various operators about their future plans at Barrack Square once Elizabeth Quay is completed. Exciting opportunities are being discussed, and I have asked the Department of Transport to consider providing lease and licence extensions to operators based on their future development plans to give them some certainty to be able to plan for when the situation improves and the outlook is more positive, so they will be able to invest capital into their long-term future at Barrack Square and Elizabeth Quay.

Beyond the current processes, each operator is entitled to seek legal advice about their rights under the Commercial Tenancy (Retail Shops) Agreements Act 1985. As there are a number of varying circumstances amongst the operators, I recommend they seek advice as some operators will be able to go to the State Administrative Tribunal and others may not. I will continue to work with the traders, the Department of Transport, the Metropolitan Redevelopment Authority and the City of Perth to minimise the impact of the Elizabeth Quay development on the businesses at Barrack Square.

[Interruption from the gallery.]

The SPEAKER: Excuse me. You are allowed to sit and listen; you are not allowed to stand and shout. Please, sit down. Thank you very much.