

Chairman; Ms Rita Saffioti; Mr John Day; Ms Margaret Quirk; Ms Eleni Evangel; Mr Chris Tallentire; Mr John McGrath; Mr Matt Taylor

Metropolitan Redevelopment Authority —

Ms L.L. Baker, Chairman.

Mr J.H.D. Day, Minister for Planning.

Mr S.M. Henriques, Acting Chief Executive Officer.

Mr M. Reutens, Chief Financial Officer.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 May 2014. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: The member for West Swan.

Ms R. SAFFIOTI: My question relates to the first dot point on page 342, in respect of Elizabeth Quay. Can the minister provide some further details about the land for the Ritz-Carlton Hotel? At the time, it was said that the value was \$25 million; as I understand it, the two blocks are blocks 9 and 10. Can the minister confirm whether it is true; exactly what land would be sold; how much it would be sold for; and provide details about the revenue sharing agreement from apartment sales?

Mr J.H.D. DAY: It is correct that the base figure is \$25 million. That takes into account the fact that land being developed for hotel facilities has a much lower value in the CBD; it reflects the commercial return of hotels compared with commercial or residential developments, so it is clearly less than what was paid by Chevron on lots 7 and 8. It also reflects the fact that the maximum height possible on these two lots is lower than that for the Chevron site. The base amount is \$25 million and there is essentially a profit-sharing agreement between the MRA and the developer in relation to the residential apartment sales. Whether it is appropriate to detail those profit-sharing arrangements, I am not sure, but I am happy to take advice. In general terms, I will ask Sean to make some comments.

Mr S.M. Henriques: Just to reinforce what the minister said, that is exactly the principle we went down. I guess one of the drivers we were trying to achieve throughout our sales process was the delivery of a hotel, so there was an acceptance at that point that, in turn, we would receive a lower land value, but one of the objectives was very specifically to secure a high-quality hotel within the precinct, for a whole range of reasons, from place activation to the investment that it would bring with it, and so on. If we were to put a split on it, we could crudely think of lot 10, for instance, as being the residential bit and assign the \$25 million to that; I am trying to give the member a comparable lot size. In respect of the revenue sharing bit that comes on top of that, probably the most I could go to in terms of detail is that it is literally a percentage of revenues over a certain baseline.

Ms R. SAFFIOTI: Is \$25 million the sum of the land plus revenue sharing, or is the \$25 million part of the revenue sharing? Is part of the revenue shared, and the minimum amount we share is \$25 million?

Mr S.M. Henriques: I can clarify that exactly. The \$25 million is the baseline; it is the revenue we receive for the site.

Ms R. SAFFIOTI: So we will definitely receive \$25 million for land sale?

Mr S.M. Henriques: Once we finalise the contract and the settlement, the baseline will be \$25 million, then the revenue sharing element is on top of that.

Ms R. SAFFIOTI: Will the developer pay stamp duty on the purchase of that land?

Mr J.H.D. DAY: I would certainly expect so, as is Chevron.

Mr S.M. Henriques: Yes, stamp duty will be paid by the developer.

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Ms R. SAFFIOTI: Is that \$25 million inclusive of stamp duty, or exclusive?

Mr S.M. Henriques: Exclusive.

Ms R. SAFFIOTI: I do not want to get into a debate about whether what was done was the right thing, but I want to try to understand the value, because government can make a decision to give land away, but we have to be transparent about the value of that land. I am trying to ascertain the value that was given to those two blocks before the government entered into this arrangement.

Mr J.H.D. DAY: If one side were not being developed for a hotel, it would clearly have a much higher value. It is reasonable to use as a guide what Chevron paid, and the \$64 million that was arrived at there followed on from extensive negotiations between MRA on the one hand and Chevron on the other hand, and the MRA has been very strongly advised by professional property valuers and so on, who have a lot of experience in this area. The member can use that as a guide, which would mean \$32 million for each of the two lots that Chevron is buying. As I said, the maximum height on those two lots is greater—36 storeys—whereas the maximum height on lots 9 and 10 is 20 storeys. Therefore, a \$25 million amount for one of those lots seems proportionately right to me.

Ms R. SAFFIOTI: So the block for the hotel is for free and the block for the apartments is \$25 million in land sales plus the value of the apartment sales, which is yet to be determined.

Mr J.H.D. DAY: It is all of it; I think I am right in saying that the hotel site and the residential apartment site are all part of one transaction, so it is all mixed up in one contract, but what the member outlined is effectively the case.

Ms R. SAFFIOTI: I notice the MRA is actually promoting some of these apartments, so it has become, in a sense, a real estate agent for the apartments. Is that something that was intended as part of this agreement?

Mr J.H.D. DAY: I am not aware of the MRA advertising apartments; I am certainly aware of the developer advertising apartments.

Ms R. SAFFIOTI: I have been to the MRA website and seen the apartments being promoted—is that correct?

Mr S.M. Henriques: What we show on the website is project-relevant links, so our website points people in the direction of a multitude of websites that we think will assist them in their information searches.

Ms M.M. QUIRK: I refer to page 342 and Elizabeth Quay. Firstly, with the development of the DoubleTree Hotel, will the WA Rowing Club shed be preserved? Secondly, what has happened to the de Vlamingh sundial?

Mr J.H.D. DAY: The Ritz-Carlton Hotel will not have an impact on the rowing club; it is a different location. In relation to the DoubleTree development on the eastern side of Barrack Square, I very much doubt there would be any impact on the rowing club building; it is probably a heritage building. I am sure that would all have been taken into account. I think that is outside the Metropolitan Redevelopment Authority's area, but the hotel site is in the planning area, and that is essentially on foundations that have already been established. I think I am right in saying they were built some years ago, so that outlines the footprint really.

[7.10 pm]

Ms M.M. QUIRK: I think the minister said that is outside of the MRA's area —

Mr J.H.D. DAY: The rowing club is—but not the hotel site. I will ask Mark Reutens to explain.

Mr M. Reutens: The hotel development is on pad that has already been established on the river, so it is not touching the rowing club building.

Ms M.M. QUIRK: My second question was about the de Vlamingh Memorial Sundial, which seems to have disappeared. What can the minister tell us about that: is it going to be relocated; where is it at the moment; how much did it cost to remove it et cetera?

Mr J.H.D. DAY: That is not one that has been greatly on my radar; I will ask Mr Henriques to comment.

Mr S.M. Henriques: That is currently in storage, similar to a number of elements that were in place, such as the Sir Talbot Hobbs memorial and those sorts of items. We are going through a process of finding the ideal future location for the sundial, and we are currently working with the City of Perth. We are nearly there with finding a future location, but it is yet to be finalised.

Ms M.M. QUIRK: What are the storage costs and who consented to the sundial's removal? What is the set-up with that?

Mr S.M. Henriques: In terms of the individual cost of that item, I do not have that level of detail, but it is within the \$438 million total budget for Elizabeth Quay.

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Ms M.M. QUIRK: There has been some publicity about the tiles that were removed. There is the sundial and the tiles. What other things had to be removed from that area and who made the decision to do that?

Mr S.M. Henriques: Right at the outset, through the approvals process to allow the development application to proceed for Elizabeth Quay—going back pre-MRA days when it was with the WA Planning Commission—all those approvals were covered through heritage arrangements, agreements and the like for future anticipated, at that point, known uses and locations or where there was none, the commitment to find alternative housing for such facilities. For example, the Florence Hummerston building, which was a restaurant on The Esplanade —

Ms M.M. QUIRK: We will get onto that shortly.

Ms E. EVANGEL: I refer to the first dot point on page 342 of the *Budget Statements* under the heading “Asset Investment Program” that refers to Elizabeth Quay. Can the minister provide some details on the Barrack Street Jetty revitalisation that is included in the 2014–15 budget?

Mr J.H.D. DAY: The Barrack Street Jetty precinct is an important part of the project, and this was referred to in the previous answers. What will be provided there? In fact, work is underway at the moment. This will substantially improve the area. I believe that about \$20 million in total is being invested in the precinct. In 2012–13, the MRA allocated \$550 000 into short-term improvements to reconfigure the jetty system, to provide additional storage and to provide some other short-term improvements, including a new children’s playground, performance space, seating, feature lighting and cyclist service facilities. At the moment the construction of the inlet is underway, but some accommodation is needed to allow that within the Barrack Square area. The internal road is being realigned to maintain the drop-off and service facilities for the jetty and to provide basement service access for the apartment development that was referred to a moment ago. The recreational shared path for pedestrians and cyclists is being realigned through the precinct and will connect with the island that is under construction and the pedestrian bridge that will follow. An events space is being constructed in front of the belltower, and that area is also being revitalised to the same high level of specifications as the Elizabeth Quay public areas through the use of similar street furniture and paving. Essentially, it will be integrated into the whole Elizabeth Quay project. I think that will be of benefit obviously to visitors, but also to businesses operating in the area.

Ms R. SAFFIOTI: I understand there are 12 separate little blocks, and we know what is happening with four of those. Blocks 5 and 6 have been on the market for expressions of interest for some time. At what stage are those two blocks in terms of getting a prospective tenant?

Mr J.H.D. DAY: As the member said, lots 5 and 6 are on the market and an expression of interest has been processed. The responses have been shortlisted down to five, and an assessment process is underway to further reduce that shortlist. I am not sure of the timing of when that will be decided. I will ask Mr Henriques to comment further.

Mr S.M. Henriques: Just to expand on the last piece, we are in the second stage of the process now, having shortlisted responses. It is a fairly intensive feat in terms of proponents being asked to provide fairly detailed proposals at this point on the commercial elements, the delivery program, the business plan they propose, and, as important as anything else, the place of the project vision and how that will be achieved, as well as the benefits they will bring to the precinct in terms of design aspects. That will conclude during the course of June with the actual submissions coming in. At that point, we will head into a fairly intensive evaluation process, which takes up to two months with various experts providing advice and an evaluation panel sitting to go through all of the different merits of those proponents. At that point, we hope to nominate either a further shortlist or ideally the preferred proponent.

Ms R. SAFFIOTI: What is the expected value of the land sales, including the 12 blocks?

Mr J.H.D. DAY: Obviously, we cannot be precise about that, but a reasonable guide to current values is what Chevron paid for lots 7 and 8, adjusted for a lower height allowance on some of the other lots. That is a reasonable guide. We would expect to receive, roughly speaking, at least half the cost of the project back, I would think. Would Mr Henriques like to add anything to that?

Mr S.M. Henriques: I think that is a fair way of framing it. We typically avoid giving a specific number for a couple of reasons. When we push these into the market, we look to seek further value for money through a bit of market tension by not providing a minimum that we would accept, coupled with the actual end uses. Going back to the earlier discussion about whether the hotels are incorporated or otherwise has an impact on that end value. Probably the appropriate way to respond is a significant portion.

Mr J.H.D. DAY: The MRA is doing a good job to maximise the value to get the best possible return for taxpayers.

Ms R. SAFFIOTI: The Premier keeps saying that the value of the project will be returned in the value of the land sales. Was there a value on the land before the Elizabeth Quay project? Saying that these land sales will be

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50 per cent of the cost of the project is fair enough, but saying it will make money means that the government is not assessing the value of the land before any improvement and any waterfront works were undertaken. Was there any previous estimation or any value prescribed to that land based on the fact it was near the river?

[7.20 pm]

Mr J.H.D. DAY: Is the member asking what the notional value of The Esplanade was in its previous condition?

Ms R. SAFFIOTI: If 30-storey towers were allowed, for example, the land would have had a lot of value anyway.

Mr J.H.D. DAY: That is completely hypothetical because it was never contemplated.

Ms R. SAFFIOTI: As a warning, that is the best way for the Premier to be speaking about it.

Mr J.H.D. DAY: Yes, but the primary aim of this project is to provide a really wonderful public precinct for residents of Perth and WA and visitors to go and use. It is not about maximising the value of the land. We want to do that as much as possible. The main aim is to get a much better connection between the CBD and the river and make it a wonderful place that people of all ages and backgrounds and so on can visit and use, and I believe that will be achieved.

Ms R. SAFFIOTI: Did the government value the land before any works were undertaken?

Mr J.H.D. DAY: I am not aware of it but I am sure that some valuer would have been able to do some theoretical valuation. It was previously a reserve; it was not zoned for that sort of development.

Ms R. SAFFIOTI: I understand that the minister's agency is now looking for a new home for Scitech. Apparently, Burswood has some transport and access issues. Go figure! Is the government looking at Elizabeth Quay to house Scitech?

Mr J.H.D. DAY: Not to my knowledge, and I do not think that is terribly likely. The MRA is playing the role in identifying potential sites, but certainly nothing has been finalised, and we are probably a long way from that point.

Mr C.J. TALLENTIRE: I also refer to the second dot point on page 342. I am interested in the dredging of the site. It was a recognised contaminated site. How confident is the minister that the management plan, a requirement under the Contaminated Sites Act 2003, for the removal of the contaminant material—the acid sulphate soils, heavy metals and things like that—is being strictly adhered to?

Mr J.H.D. DAY: I will ask Sean to comment. I have no reason not to be confident that the process has been carried out properly and in accordance with all the approvals that have been given. There has certainly been a lot of assessment and consideration by the Environmental Protection Authority and the Swan River Trust in the lead-up to the project commencing. Environmental consultants and so on have been involved as well. I have a lot of confidence in the way it is all being conducted. I will ask Sean to provide any further information.

Mr S.M. Henriques: I will expand on that. Environmentals are a key in everything that we do, and that goes right back to the initial exploration of the site and the sorts of things that we deal with by nature. Part of this one formed part of the development application, so approvals to do works on the site involved both site management plans and construction management plans. As far as I am aware, they were strictly adhered to. There is no reason to think otherwise. They are monitored by the regulators in those areas. We regularly use third party auditors and we also like to report back to the various bodies. That is standard practice for what we do.

Mr C.J. TALLENTIRE: Anyone who passes by Elizabeth Quay at the moment can see that trucks are leaving the site with the dredged material. It is noticeable that sometimes that material sticks to the wheels and parts of the trucks and then drops onto Barrack Street and further up St Georges Terrace and turns into dust. Potentially nasty materials from that contaminated site are then being carried into the CBD. When they dry out, they could be breathed in by city commuters. Is that an observation of the MRA, and does the MRA have concerns about that?

Mr J.H.D. DAY: I will ask Sean to respond on the operational aspect.

Mr S.M. Henriques: A noted reference point is where the trucks come out of the gates and onto the main roads. A limestone interior road runs through the site. That is designed in such a way as to drop off as much mud and dust as possible as it comes through. With the works as they are currently programmed, there is no reason to believe that the workers work in any areas of contamination at the moment. That is the nature of the areas that we are dealing with as per the program. If that changes and we move to different areas within the site, we up the levels of precaution that we take as a matter of course as we go forward. We regularly sweep and push back in

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what we believe to be non-contaminated mud that hits the first part of the exterior of the site. That is our containment strategy at the moment. It is fairly minimal in terms of what is leaving the site.

Ms R. SAFFIOTI: Are the site management plans available on the MRA website?

Mr S.M. Henriques: They are not currently. We work to operational plans. There is a point in the process at which things such as site management plans appear on the EPA website while we are going through that settlement process and securing approvals. Site management plans appear and then come off again. It is important to get them in the context of that approvals process at a point in time. They relate to myriad other technical and environmental reports that wrap around those at any point in time. It is always relevant that they trigger the next step of the process, which are the approvals and construction management plans that we then adhere to and use as a working practice.

Ms R. SAFFIOTI: Would there be any problem in making available the site management plan for what is currently being undertaken at that site?

Mr S.M. Henriques: As mentioned, we typically do not make those available. We end up with an enormous number of reports—technical, environmental, planning et cetera. To take one report in isolation out of context of all the others and the point in time that it is displayed is the reason that we typically do not put them out.

Ms R. SAFFIOTI: I understand that the soils being removed are as a result of some piping work and other electrical work. Where is that soil being taken and where is it being cleaned? What is the ultimate destination for the majority of the soil that will be dredged?

Mr S.M. Henriques: It varies to the extent that it depends on the type of material. Our first course in any of these sites is, where possible, re-use, and re-use on site. The island, for instance, will ultimately be made up of some of the materials from within the site itself, and, similarly, any of the elements we can put back within the public domain, we will. We look to re-use whenever possible within other state government sites that are underway. We have sites such as the Riverside project and City Link. We are always looking to try to be as efficient as possible in the re-use of materials. Ultimately, where there are any contamination elements, we look to dispose of it at the appropriate facilities. It literally varies as we go through the program.

Ms R. SAFFIOTI: Can the minister provide a list of the sites where the soils will be taken?

Mr J.H.D. DAY: Yes. We will provide as much information as is reasonably possible about the destination of excavated soil on the Elizabeth Quay site.

[Supplementary Information No B67.]

Ms R. SAFFIOTI: Would the minister be able to provide the current site management plan for Elizabeth Quay as part of the supplementary information?

Mr J.H.D. DAY: We will give the member a briefing on it. I am quite happy to organise that.

Ms R. SAFFIOTI: The old “give the opposition member a briefing to include them in the circle” trick.

[7.30 pm]

Mr J.H.D. DAY: The MRA is doing nothing dastardly, but all the plans, as Sean said, need to be seen in context. There is a whole range of documents, so if the member for West Swan wants a briefing, she can have one.

Ms R. SAFFIOTI: I will have to take the briefing.

The CHAIRMAN: There is no supplementary, just a briefing.

Ms M.M. QUIRK: I refer to the first dot point on page 342 and Elizabeth Quay. I have a few questions about Florence Hummerston Kiosk. My understanding is that the MRA assumed responsibility for the Perth Waterfront in August 2009.

Mr J.H.D. DAY: No, the MRA, as it is currently, did not exist then. It would have been the East Perth Redevelopment Authority. I think the formal handover to the MRA was later than 2009. I am advised that it was handed over on 1 January 2012. The Western Australian Planning Commission was formerly responsible until that point, but the MRA was becoming increasingly involved of course.

Ms M.M. QUIRK: I am sorry; it was the WAPC. At that time, was the exposure or liability in relation to Florence Hummerston Kiosk known at that time or was the decision to move the building made later?

Mr J.H.D. DAY: Relocation of the building was always contemplated as part of project because, given the scale and the location of this project, it was not possible to undertake and leave the Florence Hummerston building

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where it was. There were no surprises about having to relocate it. I am sure that the cost of doing so was factored into the budget of the project in the early stages.

Ms M.M. QUIRK: I understand that the matter has now proceeded to the Supreme Court and the negotiations have been unsuccessful; is that correct?

Mr J.H.D. DAY: The leaseholders, I understand, have initiated action in the Supreme Court. An offer has been made by the state—in fact an offer of an amount very close to \$7.25 million has been made by the Planning Commission to the leaseholders. That is a very substantial amount—I think it is a pretty generous offer—but it follows a valuation process the WAPC has gone through. The leaseholders obviously have their legal rights and they are exercising them, but it will be subject to the court process.

Ms M.M. QUIRK: I understand that initially Wang Nominees wanted the government or the Planning Commission to take up a number of shares in their business for tax reasons; can you elucidate on that?

Mr J.H.D. DAY: Not a lot, but I am given to understand that some requests were made along those lines, and probably some negotiation, but this is being handled by the WAPC, which will be the subject of a separate division tonight, so the member for Girrawheen can ask further questions then if she wishes. As always, the WAPC has sought to act fairly with people who have property rights on the one hand and to protect the interests of the taxpayers and people of WA on the other. There is a balance to be achieved in all of this and the state's position is that that balance has been achieved, but the leaseholders have their legal rights, as I said. It is worth noting that the lease granted by the City of Perth was very long. It was a 10-year lease with 10-year options—an amazingly long period in which to lease a building—and, obviously, the compensation has to take all of that into account.

Ms M.M. QUIRK: Was the minister required to give consent for these proceedings of the Planning Commission? Was the minister required to consent to it proceeding to litigation? I suppose the government is the defendant.

Mr J.H.D. DAY: Yes —

Ms M.M. QUIRK: In other words, who is the one giving the WAPC instructions on this action; is it the minister?

Mr J.H.D. DAY: It would certainly consult with me, as does the MRA, but a lot of negotiations in land acquisition are undertaken by the WAPC. As I said, the WAPC will be here in a little while, and Tim Hillyard is the expert in all of that and does an amazingly good job on behalf of the state and the people of WA.

Ms M.M. QUIRK: Ultimately, if an offer is acceptable or not acceptable, does that come to the minister or does someone else resolve that?

Mr J.H.D. DAY: Anything over \$1 million needs to be approved by the Minister for Planning, so I see quite a lot. A reasonable number of land acquisitions need to come to me for approval. Normally a couple of valuations are provided in the briefing note and so on. They are usually both pretty close to each other and, as I said, the Planning Commission acts responsibly in all of these processes.

Ms M.M. QUIRK: Am I better off pursuing this in the next division?

Mr J.H.D. DAY: The member should do that.

Mr J.E. McGRATH: My question relates to the first dot point on page 342 and concerns the Elizabeth Quay project. It is a question of interest to my electorate of South Perth. There has been some speculation about where the ferry terminal for the South Perth ferry will be located. Has that final positioning decision been made? When does the minister expect that the ferry service will move to the new jetty?

Mr J.H.D. DAY: The ferry terminal for the South Perth ferry will be located within the inlet, on the western side, so the ferries will come under the new pedestrian bridge. That is all being designed to take into account the height needed for the ferries. The transfer of location will commence about when the project's public works are completed, around November next year. Towards the end of next year is what we expect.

Mr J.E. McGRATH: I have one other question relating to ferries. There is a lot of talk about how one day Perth people will be using ferries for transport in the metropolitan region on the Swan River, and given developments such as the Riverside project, the casino, the stadium and the Claisebrook development, there will be an opportunity for more ferries to be used to bring people into the city. Would they be able to use that terminal inside the quay or would some of them have to use Barrack Street? Has the minister given any consideration to that matter?

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Mr J.H.D. DAY: It would depend on the quantity, of course, but I would expect that to be the case and that they would be able to use that new terminal. I will ask Sean to add some more information.

Mr S.M. Henriques: I can expand on that point, particularly in light of the long-term nature of that sort of proposal. The MRA tends to look at building the capacity to not rule out the future of a potential ferry stop for specific nodes around the river—for instance, Riverside, for our area, and Elizabeth Quay. If we drop back to the original question about Elizabeth Quay, in the first instance it will replicate what is happening now, so shuttling north to south and back again across the river with the two ferries interchanging. Should the design of that change or the use of ferries increase over time throughout the river, that part of the infrastructure being put into Elizabeth Quay can be extended. It is a case of getting the existing stuff moving but futureproofing it so that one day we can build a network of stops across the river.

[7.40 pm]

Mr C.J. TALLENTIRE: While on this boating thing, I see there is a plan to have the *Duyfken* associated with the basin and I am curious to know how the *Duyfken*, which will require a certain amount of draught, will get into the actual quay basin.

Mr J.H.D. DAY: It is intended to be located on the south eastern side of the island, so just outside of the inlet.

Mr C.J. TALLENTIRE: It will not be able to sail up the Swan River to get there, I suppose.

Mr J.H.D. DAY: If they lowered the mast, they would get under the Narrows Bridge, I guess. I presume that has been thought about.

Mr C.J. TALLENTIRE: So it will not have to be trucked in and then launched?

Mr S.M. Henriques: Again, we looked at a number of options about how to best facilitate something like the *Duyfken* going in there and we thought it was a good fit to add to both to the heritage feel of the precinct and the potential tourism attraction aspect. There is a number of reasons the location there was picked. One was proximity; it links with the south east of the island and picks up the circuit around both the island and past Barrack Street jetty in terms of that activation piece. A space there enables the boat to be parked there for however many months of the year it needs to be parked at the quay.

Mr C.J. TALLENTIRE: Moored.

Mr S.M. Henriques: To moor it, yes. Sorry, I am not a boatie!

Ms R. SAFFIOTI: I refer to page 342 of the *Budget Statements* and the line item for Elizabeth Quay. I ask about the total cost of the project. The total cost in the budget is \$426 million plus the \$15 million for CBD power infrastructure. Are the costs related to Florence Hummerston part of that budget or separate?

Mr J.H.D. DAY: They are part of the Elizabeth Quay project as a whole.

Ms R. SAFFIOTI: Is the money part of the \$406 million?

Mr J.H.D. DAY: Yes.

Ms R. SAFFIOTI: Are there other infrastructure works, excluding roads, which we have gone through before, for water or other associated infrastructure being undertaken by those agencies included in these items here?

Mr J.H.D. DAY: The member will see the line item for CBD power infrastructure, which refers to the Western Power works.

Ms R. SAFFIOTI: Is that the total power spend?

Mr S.M. Henriques: That is for the power spend; it is the Western Power allocation, so that is correct. There is also some spend for Water Corporation and some relatively minor spend for Main Roads, but they are within their own budgets.

Ms R. SAFFIOTI: Can it be outlined how much the Water Corporation is spending on the project?

Mr S.M. Henriques: It is part of the wider futureproofing for the city. The exact amount for the Water Corporation escapes me. From memory I think it is smaller than the amount shown in the budget for Western Power, but it is in millions of dollars and is significant enough. It is actually the relocation of elements like the main drain servicing Perth and that sort of scale of infrastructure.

Ms R. SAFFIOTI: Can I be given that by way of supplementary information, as well as the Main Roads spending?

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Mr J.H.D. DAY: As far as we reasonably can, we will provide information about how much is being expended by the Water Corporation on infrastructure related to the Elizabeth Quay project, but not only for it, and likewise for Main Roads.

[*Supplementary Information No B68.*]

Ms R. SAFFIOTI: Can I ask about sources of funding? How much of the metropolitan region improvement fund is being used, if at all?

Mr J.H.D. DAY: There was some use of that fund in the early stages of the project, more for the development, not the construction. From memory it would have been the budget papers two or three years ago.

Ms R. SAFFIOTI: Could that be provided by way of supplementary information?

Mr J.H.D. DAY: It might be quicker to go and look up the old budget papers, but we will do our best. We will provide how much money was allocated or expended out of the metropolitan region improvement fund towards the Elizabeth Quay project. We will also clarify whether it is part of the \$426 million or not.

[*Supplementary Information No B69.*]

Mr C.J. TALLENTIRE: I move on to another issue and I refer to the last dot point on page 342, listing the Chinatown revitalisation with \$1 million noted there for the expenditure. I assume that is all going to public areas. What mechanisms are being used to ensure that those people who have private property there that is looking a bit run down upgrade that property?

Mr S.M. Henriques: I do not know the exact breakdown of what is going on in public property and private property, but overriding that, the works we do are typically within public spaces. Naturally it is in the areas we can control. While the area cast is Chinatown, a lot of the works that have gone on to date actually border the Perth City Link boundary, so the stuff on the bus station, the murals and the like around the site. Part of that, going forward, will continue with that sort of approach and we will join the likes of Tourism WA and the City of Perth to look at eventing the space in the activation side of the business. Also, think I am right in saying that City of Perth has a grant scheme that private landowners can apply for as part of that program. I think there is a fairly extensive laneways program underway as well.

Ms M.M. QUIRK: I again refer to page 342 and Elizabeth Quay. Earlier in the year or late last year, various artefacts and things were found in the course of the renovations. Some of those appear to be part of a wharf and according to the newspaper reports they were donated to, I think, the men's shed in Mosman Park. The assertion was that they were not subject to the Maritime Archaeology Act, but who made that assessment before they were shipped off to the Mosman Park Men's Shed?

Mr J.H.D. DAY: They were two pieces of timber, as the member says, and I think their origin was subject to some debate. They may well have been quite old.

Mr S.M. Henriques: Consistent with any findings we have on site, we immediately call in the experts in these areas. We have a team pretty much on stand-by that comes to assess the archaeological significance of any of these finds. In doing that, we typically ring-fence that piece, move on to another area and keep going with the works. I cannot remember the name of the consultant group that determined the significance level of the artefacts, but they were deemed not to warrant either remaining in situ or being housed in a heritage museum or otherwise. The exact details escape me, but I think the contractor at that time sought a way to dispose of the artefacts, and I think they ended up being used for a community purpose.

[7.50 pm]

Ms M.M. QUIRK: Throughout the heritage strategy for the area, there has been talk about interpretation and re-use of materials—reinterpreting of materials. I just wonder why those bits of the wharf could not have been used in some context in the development rather than sent off to the Mosman Park Men's Shed.

Mr S.M. Henriques: As I mentioned, I think it does go through a fairly extensive assessment process as to how it can fit in. As with many of these materials, re-use is always the idea. In this particular case it was assessed. The exact details escape me about whether it was because of the size, shape, condition of the materials or otherwise, but it was deemed appropriate that an alternative location should be found.

Ms M.M. QUIRK: Good enough to make coffee tables, but not good enough to re-use at some point in the redevelopment.

The CHAIRMAN: Is that a question, member for Girrawheen?

Ms M.M. QUIRK: Yes, it is.

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Mr J.H.D. DAY: Possibly, the coffee table use might have provided much better exposure of the timber.

Ms M.M. QUIRK: How much is intended to be spent on public art in this area? Most of that will have some reference or homage to the previous uses for the site. How much is earmarked for public art on the site?

Mr J.H.D. DAY: I will see whether a figure is available, but certainly the representation of the history of the site and the interpretation of heritage is a very important aspect of the project, and quite a lot of effort and thought is going into that aspect. I am not sure whether we have an actual figure, but again I will ask Sean to provide some more information.

Mr S.M. Henriques: The public art is all contained within the budget, so that is the \$438 000 that was referenced previously. In addition to that, a percentage is set aside for an art program. The Metropolitan Redevelopment Authority's own public art policies are embedded in all the planning documentation and sales contracts.

Ms M.M. QUIRK: Just finally on this issue, in this context, if there any more filings, does the minister think it might be more appropriate to maybe see what an artist thinks that he or she can do with the materials rather than asking the contractor who, frankly, has a vested interest in moving on with the works?

Mr J.H.D. DAY: I am sure if anything of note comes to light, the MRA would be conscious of what the member has just expressed.

Mr M.H. TAYLOR: Given that this is the Metropolitan Redevelopment Authority, I might ask a non-Perth question, perhaps about Armadale! I refer to page 342 of budget paper No 2 and the sixth dot point, which outlines the \$13.7 million investment in the Armadale Redevelopment Authority. Can the minister please explain whether any work is being done to plan for the recreational needs of the new community, and what work is being undertaken or planned for Kelmscott in this budget?

The CHAIRMAN: Thank you, minister. I will just remind you of the time; we are running pretty short.

Mr J.H.D. DAY: Yes, sure. The Armadale area is an important aspect of the MRA's role, of course. It also has an important role in Midland, as well as in Subiaco and also now in Scarborough. The Armadale redevelopment area is one of the state's largest urban renewal projects. There is over 3 000 hectares in Armadale, Kelmscott and Wungong localities, which we expect to ultimately provide for about 44 000 new residents. The land in that area is generally owned by the private sector rather than the MRA or the state, so it is a different model from most of what the MRA does.

For recreational needs, active open space and sports playing fields are being provided; in particular, the structure planning being undertaken for cell A will include approximately 64 hectares of regional recreation space, including playing fields. That is an important aspect of what needs to be provided in the outer metropolitan area more widely. The Department of Planning is working on that area, and we will cover this matter later, if necessary, but it is one of the aspects of what is being provided in the Armadale Redevelopment Authority area.

Mr C.J. TALLENTIRE: I am just curious to know: when was the last time the MRA really began a non-CBD project?

Mr J.H.D. DAY: Scarborough would be the most recent new acquisition, so to speak. That happened in the last 12 months or so, but the MRA is certainly very active in Midland, Armadale, as I have explained, and also Subiaco, albeit the Subiaco project, which has now been underway for 20 years is coming to a conclusion as most of the area has been developed. But there are other possibilities as well in the not-too-distant future.

Mr C.J. TALLENTIRE: When people say the MRA's energy goes principally to the CBD, would the minister say that is an unfair allegation?

Mr J.H.D. DAY: The biggest projects are in the CBD, of course, but certainly they are not the only projects being undertaken by the MRA. What was achieved by the previous Midland Redevelopment Authority, for example, on the railway workshops site in Midland is substantial. There is now substantial transit-orientated development there, which I am extremely familiar with. There has been recent development of a new town square in the workshops site adjacent to the war memorial on Yelverton Drive, for example, which has been undertaken by the MRA. There are further land sales occurring in Midland, for example, to the private sector for the development of apartments and other mixed-use purposes, commercial and some retail as well.

Mr J.E. McGRATH: My question is about the major projects in the CBD, one of them is the Riverside project, which we all see when driving over the Causeway. I noticed there has been \$25.3 million budgeted to continue the redevelopment works. Can the minister just tell us how that project is going and what actually will be undertaken in 2014–15?

Mr J.H.D. DAY: Yes, I guess, really, the Riverside project is one of the four major projects that the MRA has underway in the wider CBD area, the others being Elizabeth Quay, Perth City Link, and the Perth Cultural

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Centre revitalisation project. The Riverside project is a very important one, but does attract less of a profile than Elizabeth Quay, for example. It will be somewhat similar to Elizabeth Quay because it is creating a much better engagement with the Swan River. There will be an inlet provided. Ultimately, in that whole precinct, we expect there to be around 7 000 new residents and 6 000 new workers. The Waterbank location, which is visible from the Causeway, just on the north west side of the Causeway, has a lot of earthworks underway. As members would know, a process called surcharging, which, essentially, involves squeezing out a lot of the water under the surface, is underway there. Lend Lease Pty Ltd has been given the mandate to undertake the development, so there is an agreement between the MRA and Lend Lease for the development of all the urban infrastructure that will involve, including, I think, a hotel, hopefully, but certainly residential apartments, commercial office space, hospitality and retail facilities, boardwalks and, potentially, a swimming area. There is expected to be a beach there, so it will be somewhat similar to Elizabeth Quay on the eastern side of the CBD.

Mr J.E. McGRATH: Will there be a swimming area in the Swan River?

Mr J.H.D. DAY: Yes, certainly the drawings show that a small beach is being created for people to swim in the river, if they wish to. They can now, but this will make it more accessible.

The CHAIRMAN: Thank you, members. Given that there are no other questions, I will say that completes the examination of the Metropolitan Redevelopment Authority.

[8.00 pm]