

Western Australian Land Authority —

Mr I.C. Blayney, Chair.

Mr B.S. Wyatt, Minister for Lands.

Mr F. Marra, Chief Executive Officer, LandCorp.

Ms F. Barclay, Chief Financial Officer, LandCorp.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. 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 principal clerk by Friday, 31 May 2019. 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 through the online questions system.

The member for Scarborough.

[7.50 pm]

Mrs L.M. HARVEY: I refer to page 170 of budget paper No 3. There is a reference under "Other Spending" to "Latitude 32 Hardship Cases", and to \$20 million being spent over the next two years to acquire higher priority Latitude 32 hardship cases. Could the minister explain who the hardship cases are? Who will be the recipients of that funding?

Mr B.S. WYATT: Mr Marra might have to give the member a bit of background on who they are, because this goes back a way. A not insignificant number of people have had their land effectively "quarantined", which is the best way to describe it, and are unable to sell it or to do much else with it, so they have effectively been in limbo for a long time. We provided an amount of \$20 million in the budget to continue acquiring from those people some of that land. When we say "hardship cases", it means that they have been prioritised if they are older and have had some health issues et cetera. I know that a few people there want to sell up and move into aged care, for example, and we want to enable them to do that. This does not deal with them all; it just enables us to keep moving with this process. As Mr Marra can explain, the history of Latitude 32 goes back a way.

Mr F. Marra: The project commenced in 1999. Latitude 32 is the trading name of the Hope Valley–Wattleup redevelopment project. Over that time the state has taken over planning control for that area of land. It initially purchased the two town sites of Hope Valley and Wattleup. In the remaining area, the state controls about 20 per cent of the landholdings, with 80 per cent owned by private landowners. The state is progressively replanning the area. Until that planning is complete, individuals will not be able to further develop their landholdings. Ultimately, the land will be rezoned to industrial purposes and further infrastructure will be brought to the land. Until that is complete, individual landowners in the area can continue to use their land as they have, but they cannot further develop it. Certain landowners there—typically ones who have been there for an extended time and use it as a market garden and their home site—as they get older and their health deteriorates, want to exit their property. At this moment private developers are not willing to come into the area because planning is not complete, so the state stands in the market to allow these individuals to exit. As the minister indicated, we prioritise on the basis of age, health, financial circumstances and other conditions like that. Those with the highest priority are acquired at market valuation.

Mrs L.M. HARVEY: They are acquired at market valuation. How is a market valuation arrived at if it really has an uplift value as a potential industrial site? I am just curious to know how a market value is worked out for that.

Mr B.S. WYATT: Mr Marra.

Mr F. Marra: We seek two valuations in each instance—one by the state, and then we provide funding to the landowner so that they can seek their own valuation. There is a common brief. The brief is based on the land being used as each future purpose, so the valuation takes into account what could possibly occur with that land. There is quite a bit of evidence now, because we have been undertaking this over a number of years, and the valuers are able to see through the market in this space.

Mr B.S. WYATT: The member had that first question on Ocean Reef Marina. Did he want Mr Marra to deal with that?

Mr D.C. NALDER: I will ask that question around —

The CHAIR: Hold on. Can we come back to that? The member for North West Central has a question.

Mr V.A. CATANIA: I will make mine really quick. I refer to page 645 of budget paper No 2 and the \$89 million that is allocated for Port Hedland Spoilbank Marina. How much of the total allocated amount has been funded by royalties for regions? Is the minister comfortable that the community has given its tick of approval to the scaled-back project, given that under the previous Liberal–National government the commitment was for \$112 million rather than the current \$89 million? Is there any continued pressure coming from BHP about the location of the development, which I understand is within a dust-affected zone?

Mr B.S. WYATT: The royalties for regions contribution is \$64.5 million and the consolidated account also contributes a significant amount. I will get that for the member in a minute; it is another \$24 million. Yes, Minister MacTiernan led the community consultation around the alternative proposal. That seems to have been supported by the council, bearing in mind that the original proposal was very extensive and would have been a very significant liability on the council's balance sheet. As far as I am aware, BHP has worked pretty well with Minister MacTiernan on this. I have not heard anything to the contrary.

Mr V.A. CATANIA: There are no dust issues around what the minister has been proposing?

Mr B.S. WYATT: I am not familiar with that. Again, the member would have to put specific issues around dust and that site to Minister MacTiernan.

Mr D.C. NALDER: I have a question on the Ocean Reef Marina. I refer to page 170 of budget paper No 3. I notice there has been a sizeable shift, and I assume the project has been brought forward. Instead of the negative \$31 million being spent that year, I imagine the government is now bringing it into 2020–21 and 2021–22. Can I just confirm that that is the case and ask what has happened there? Why is this one being sped up? What is the reason for it?

Mr B.S. WYATT: Mr Marra can provide useful information.

Mr F. Marra: As this project progresses and we obtain further approvals and get further engineering advice, we are able to refine the time frames as to when we are going to be undertaking the project. It is a re-flow, as the member points out, with some additional construction expenditure brought forward early. As we continue to get further information from the engineers on the optimum way to deliver the project, we will further refine that. But the total quantum of cost is the same; it is just that the period when it is undertaken has changed.

Mr D.C. NALDER: I am just trying to understand what the intent is with Ocean Reef Marina—whether the state will continue to be the landlord in the future, once it is constructed, or whether it is going to be sold. Will the state consider selling it to the private sector?

Mr B.S. WYATT: Mr Marra.

Mr F. Marra: The project business case is based on the state implementing all the infrastructure for the project. The state, through both the consolidated fund and LandCorp, will invest considerable sums in preparing the land and the marina water body. The proposal then is that the water body component, the breakwaters and the pens et cetera, will be transferred to the Department of Transport to manage as a public marina on behalf of the state. It may further provide leases to some of the clubs that will go into the area, but the head lease will be by the state. The land that is created will, in the main, be provided for private development. There may well be a mix of leases and freehold up-front, but in the long run the state will divest its interest to recoup the value of the investment it makes.

Mr D.C. NALDER: Is that project expected to be completed by 2021–22? Is that what I now read into these financials?

Mr B.S. WYATT: It will not be completed by then, no, but Mr Marra can give the member a run-down on that.

Mr F. Marra: The project will continue well beyond the forward estimates, yes.

Mr D.C. NALDER: I get it with land development and all those things, yes, but from a marina perspective, that is all the construction of the whole marina then. It is just the development of the buildings.

Mr B.S. WYATT: Yes, but the actual development of the private sector component will take time.

Mr F. Marra: It is predicated on the approvals process, so that is still underway at the moment.

Mr B.S. WYATT: The Environmental Protection Authority process.

Mr D.C. NALDER: Is it going through that now?

Mr B.S. WYATT: Yes.

The CHAIR: That completes the examination of the Western Australian Land Authority, LandCorp. Thank you.

[8.00 pm]