

**DevelopmentWA —**

Ms L.L. Baker, Chair.

Mr B.S. Wyatt, Minister for Lands.

Mr F. Marra, Chief Executive Officer.

Ms F. Barclay, Chief Financial Officer.

Mr S. Henriques, Chief Executive Officer, Metropolitan Redevelopment Authority.

Ms C. Smith, Principal Policy Adviser.

[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, 30 October 2020. 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 North West Central.

**Mr V.A. CATANIA:** I refer to works in progress on page 740. I think I am right that this matter resides under metropolitan land acquisition and development. I notice from page 236 of DevelopmentWA's "Annual and Sustainability Report 2019–2020" that the Metropolitan Redevelopment Authority is in dispute over construction works undertaken on its behalf within the central Perth redevelopment area. The report states also that potential excessive settlement risk within a separate central Perth redevelopment area is currently under investigation, and that termination of the sale of a parcel of land within the central Perth redevelopment area has resulted in the implementation of a dispute-resolution clause in the state contract, with court-appointed mediation having been held. I would like to know which projects these are and to which development areas these claims relate, what specifically is the construction work at the centre of the first dispute, and what specific project has potential excessive settlement risk.

**Mr B.S. WYATT:** Because of the time, I will quickly pass to Mr Marra.

**Mr F. Marra:** I am happy to answer part of it but also Sean Henriques can answer some of it because it is to do with the MRA.

**Mr B.S. WYATT:** We have five minutes to quickly go over it, so we will see what we can provide.

**Mr F. Marra:** There are a number of projects, some of which are at different stages of dispute. Some are in legal dispute and some are in contractual dispute. The matter that is in legal dispute is called lot 101 Hay Street, in East Perth. It is a dispute with the former contracted party who is claiming a level of damages for repudiation of the contract. The minister announced that that site has subsequently been resold to Finbar recently. Discussions are still continuing with the parties on that legal process.

**Mr S. Henriques:** Of the two remaining issues, one is contractual, so that is basically reaching practical completion and resolving a number of site-related issues in central Perth and the Elizabeth Quay precinct, and the second is the excessive settlement risk, which relates to the area at the Riverside project near the Causeway at the Waterbank site.

**Mr V.A. CATANIA:** Which land sale was terminated and why has it gone to dispute resolution? That is in the annual report. What is the potential financial risk to WA taxpayers for these various disputes?

**Mr F. Marra:** I refer to the first matter that I discussed on lot 101 Hay Street. That is a matter involving the contract coming to an end. The party, alternatively to the state, is seeking damages for that. However, the state believes that no damages are required to be paid for that project termination.

**Mr V.A. CATANIA:** Is there no risk to the state, as such?

**Mr F. Marra:** There is always a risk, I suppose.

**Mr B.S. WYATT:** There is always a risk, but the state is confident in its position on that.

**Dr M.D. NAHAN:** I refer to page 247 of budget paper No 3 and DevelopmentWA's operating subsidies, which include the East Perth power station. That appears quite a bit over the forward estimates from 2019–20 through to

2023–24. Can the minister tell me what this money is for, how much it is and what residual ownership right the state will have once it hands over the facility to the purchasers?

**Mr F. Marra:** The operating subsidy is to undertake de-constraining works on the East Perth power station site.

**Dr M.D. NAHAN:** Why and what are they?

**Mr F. Marra:** It covers payments for ATCO Gas to relocate its gas pressure main and relates to the costs associated with Western Power decommissioning its substation.

**Mr B.S. WYATT:** The member may recall that it has quite a large Western Power substation.

**Dr M.D. NAHAN:** Yes, I will go back to that.

**Mr F. Marra:** That was to relocate or decommission the substation and relocate overhead powerlines. There are some security and maintenance issues until the project is undertaken by the proponents. As part of the recent Perth City Deal, an additional \$20 million was allocated to provide external infrastructure to improve connectivity to the site as well.

**The CHAIR:** I am sorry to interrupt, members, but I have to move this so I think I need to call a halt. That completes the examination of DevelopmentWA.

[8.00 pm]