

**PORT KENNEDY DEVELOPMENT BILL 2017**

*Second Reading*

Resumed from 15 August.

**HON DONNA FARAGHER (East Metropolitan)** [9.00 pm]: I rise today as the lead speaker for the opposition on the Port Kennedy Development Bill. I indicate to the house first up that the opposition will support this bill. I know something of the history of this legislation albeit—I suppose this is the only comment I will make about this legislation that the minister might take on board—I note that the second reading speech that the minister read in this house is a little different from the one that was read in the other place. The second reading speech in this place did not refer to the former government in any way. A couple of references were removed. I am not quite sure why, and I appreciate that the minister probably just read the speech that was provided to him. It might sound like a bit of a cute point to make; however, one point related to when the sales and development agreement was signed, which is rather important as it relates to this bill. I make the point that whoever thought it would be a good idea to remove reference to the former government probably next time might not do that.

Anyway, I will move on, but I will come back to the issue of the sale and development agreement a bit later. I want to spend a bit of time working through the bill and its history because, I will be honest with members, the drafting instructions for this bill were approved by me prior to us going into caretaker mode—it is a bit strange for me to be talking about the bill while sitting on this side of the house—hence the reason we support the bill before us.

**Hon Nick Goiran:** It must be a very good bill.

**Hon Darren West** interjected.

**Hon DONNA FARAGHER:** Thank you very much. I want to spend a little time going through it. There is no doubt that a very long history goes with this bill and the project in its entirety. In fact, it dates back to the 1980s, which culminated in an agreement between the state and the then developer in 1992 for a tourism resort, residential village, marina, town centre and golf course at Port Kennedy. Following that original agreement, there were challenges due to changing economic conditions as well as changes of developer, all of which led to the project stalling. Subsequently, I recall from the various briefings I had on this matter a revised agreement was reached with, I think, the marina being removed but the public works being paid for by the developer and they commenced. In 2010, the state planning policy relating to coastal planning was released by the Western Australian Planning Commission. This resulted in new requirements relating to coastal setbacks based on predicted rising sea levels over the next 100 years. The policy had the effect of reducing the Port Kennedy projects developable area from that agreed by the Parliament through the Port Kennedy Development Agreement Act and the developers. As a result of that new policy, in its current form, the project effectively became unviable. As a result, around 2013, the Department of Planning and the developers, the Western Australian Beach and Golf Resort, were asked to work together to refine a new project that would be viable and took into account the new WAPC policy. In addition, given the project had been materially affected by the coastal setback policy, the act itself effectively became redundant as it had been developed on the basis of the original project and original agreement set in those early days.

I jump now to 2016. I had, obviously, become the new minister and the matter had not been resolved. It was put to me that it needed to progress through a new agreement with the developers and through legislation. Some significant work was undertaken over a short time while I was minister. I want to recognise my former ministerial staff as well as staff from the then Department of Planning, who also briefed me on this bill a couple of months ago. I want to thank them for their efforts in working through a solution to this issue. I also want to recognise the State Solicitor's Office because they all worked incredibly hard, particularly close to the Christmas period. Through its work, we were able to finalise a new sale and development agreement and that was negotiated and agreed between the state and the developers. The agreement, which reframes the project contemplated for Port Kennedy, was signed, as I mentioned, by me then as Minister for Planning and former Minister for Lands Hon Terry Redman and the developers. This was signed—this is why I referred to the second reading speech at the beginning of my contribution—in January this year. The SADA is important because it, effectively, works through the mechanisms and certain milestones to enable this revised project to proceed. The SADA contemplated the repeal of the act and the introduction of a bill that would enable both the metropolitan region scheme and the local planning scheme amendment processes to be undertaken concurrently. This is a similar process to that which was undertaken for the Sunset Reserve Transformation Act 2014. The drafting instructions that formed the basis of this bill were approved by the former government in January and were obviously allowed to continue under the new government, and that is a good thing. We are now here today with the bill, as contemplated by the SADA, being debated.

I hope and expect that, should this bill pass, the development will finally and fully get underway for the community's benefit. I, as former minister, received letters from community members wanting a clear understanding about this project and when it was truly going to get underway. It has gone through a lot of planning

ministers. I hope that through this legislation, we will see the benefits that can be achieved through this project, particularly for the remaining public works and infrastructure at Port Kennedy, which, as I recall, the minister's second reading speech indicated were long overdue. The community would certainly agree with that. I see Hon Sue Ellery nodding in agreement. This will go a long way to ensuring that that occurs.

I have pretty much gone through the history of the bill. I do not intend to delay it. As I said, the opposition supports the passage of the bill and I indicate that the opposition will not seek to go into Committee of the Whole.

**HON AARON STONEHOUSE (South Metropolitan)** [9.10 pm]: I am delighted to see the Port Kennedy Development Bill 2017 being progressed in favour of the residents of Port Kennedy, whose suburb sits at the very heart of my electorate of the South Metropolitan Region. Honourable members from electorates further north may not be aware of the history of this proud little piece of WA, so I trust they will indulge me for a moment or two on the subject, as I think Port Kennedy has a good deal it can teach us. As I am sure most members will be aware, the suburb of Port Kennedy takes its name from Sir Arthur Kennedy, the sixth Governor of this great state, under whom, I am proud to note, the economy flourished. Indeed, it grew by some 40 per cent during his seven-year tenure. If that target were emulated by this government, we could write off the state's debt in a flash. Mind you, the government would need two terms to match him, and it would need to start pretty quickly.

Sir Arthur is also renowned for having curtailed the powers of the police in his day—something a libertarian such as me can appreciate—and he was also responsible for draining much of the swamp around Perth. The more I read about Sir Arthur, the more I find to admire about the man. Today he is remembered by the Kennedy Range in the Gascoyne, and as far afield as Kennedy Sound in Queensland, where he served later in his career. But if the heart of the man lies anywhere then it is surely in the suburb that bears his name some 55 kilometres from Perth. Although the town site of Port Kennedy was declared back in 1953, the suburb we know today owes its existence primarily to the rapid growth of the 1980s and 1990s. From the few hundred who called the town home in the late 1950s, Port Kennedy now boasts a population of more than 14 000 residents who enjoy a pleasant coastal lifestyle, just forty minutes commute from Perth's CBD. I encourage my fellow members of the house to visit the town when they next find themselves in the area. They can enjoy the beautiful coastline, with its penguins, seals, and sea lions or drop into the PK Tavern for a pint, or the local Returned and Services League of Australia branch, which is one of the most active and engaged branches in the state.

It is entirely possible to grow from a community of a few hundred to one of more than 14 000 residents in the space of a few short decades without sacrificing open spaces freely accessible for the enjoyment of all. Members will not find a better example of that than in Port Kennedy. Whether it is the scientific park that protects unique vegetation and dunes that map 100 000 years of sea level change or the town's coastal promontory, Port Kennedy proves that it is possible to produce attractive, well-planned urban development alongside an environmental diversity that will attract tourists from not only across this great state and country of ours, but also around the globe.

Evan Hall from the Tourism Council of WA hit the nail on the head earlier this year when he noted that —

“Tourists are not going to come to WA and Perth for a hotel room in the city and an ice cream down at Elizabeth Quay. They will come for events and for our beautiful natural environment.”

He is not wrong. Only last month, Professor Sam Huang, who teaches tourism and services marketing at Edith Cowan University, noted at a public seminar in Perth that by 2025 there will likely to be in excess of 220 million middle-class Chinese tourists looking for unique experiences overseas. Let us take a moment to let that figure sink in—that is 220 million tourists from China alone looking for something outstanding and unique. The professor's conclusion was that a combination of our food and wine paired with our ability to deliver beautiful and engaging environmental tourism opportunities could be just the thing to corner that market. Let us not overlook the fact that Chinese tourists spent a staggering \$261 billion worldwide last year. Imagine if WA, which is close at hand and in the same time zone as China, could attract as little as five per cent of that global spend going forward. Port Kennedy, with its beaches, parks and laid-back lifestyle could certainly play its part, and I can promise members it would play it with gusto. But if we are to make that happen, we need to deliver on promises that were made in the corridors and the chambers of this place 20 years or more ago. As the government alluded to in its introduction to this bill, previous attempts to develop Port Kennedy to its full potential, and to deliver the coastal town centre facilities that residents were promised when they first bought into the area, have been fraught with difficulty.

**Hon Colin Tincknell:** Maybe they thought there would be a port there.

**Hon AARON STONEHOUSE:** Maybe. The minister will correct me if I am wrong, but I believe at least three companies have been involved at various stages, with one of those going into receivership, and another suffering badly during the global financial crisis. It is my sincere hope that this bill will breathe fresh life into an otherwise stagnant process, and that the government, in conjunction with the City of Rockingham and the private sector investors now involved, will deliver real and measurable outcomes for the residents of Port Kennedy. Sir Arthur

has left us with a road map. Let us build responsibly and watch the local economy grow. Port Kennedy, if not the entire state, would benefit. I am sure if he were alive, Sir Arthur would be proud to put his name to that, and I support it as an outcome of this bill. I have spoken to my crossbench colleagues and they have indicated to me that they will also support this bill.

**HON SUE ELLERY (South Metropolitan — Leader of the House)** [9.16 pm]: I am speaking as a member for the South Metropolitan Region. This has been going on in my electorate for more than 20 years. I want to make some comments about the Port Kennedy Development Bill 2017 because over the course of those years—I have not been a member for 20 years, but 16—various members of the community at different times with different points of view have contacted my office. It is in the southern third of my electorate. Back in 1995, before I was a member, it was hailed as a game-changer development. There was going to be a tourism and recreational resort at Warnbro Sound. It was announced that it was to be done in stages, but would ultimately lead to a golf course, holiday units and residential apartments and major jobs and significant overseas investment.

It was marked by delays, and really no serious developments occurred in those first five years after 1995. At various points the government of the day ended up having to serve default notices on the developer and seek new developers. At about the seven-year mark, the development rights were transferred to another company and commitments were made that it was definitely going to proceed. Some work started around 2003 on what was described as stage 1.

About a year after that, in 2004, there was another revised development plan. This time it was no longer to be a five-star resort with marina. It was reduced to a golf course of nine holes, rather than an 18-hole golf course. Some permanent residential units were still built into the project. Then about another five years after that, there was another renegotiation of the scope of the development. By this point, the global financial crisis had intervened and the development was referred to including some upgrades to the Port Kennedy scientific park. Members of the previous Parliament will recall Hon Phil Edman was involved in about 2010 and he made comments in this place on a couple of occasions about it. It looked as though it was all set to start again, and then it took about another five years to start construction on what by that point had become about version number four of stage 1.

In 2013, rising sea levels intervened. If we were going to write the time line of how events might intervene on a development project, I am not sure that anyone would have picked this one, but they did. Rising sea levels intervened and the development was deemed financially unviable because so much of the land would no longer be useable. The constant stop-start approach caused distress and, arguably, some financial loss for some locals at various points as their house valuations went up and down depending on the stage of the development. It was certainly precarious. There was a great deal of uncertainty for the people living in the area, and they were worried about it. Local community groups that are representing those who live in the undeveloped area want this bill to proceed so that we can finally provide them with some certainty. Others are concerned about what the new development will mean for their beach access. For them, what has been a very quiet and unobstructed access to the beach will change. There is no question about that. Some of them are a bit worried about it. There has been talk of an interpretive centre and the best possible site for this. My colleague the member for Warnbro, Paul Papalia, is working with the local community on this.

As the member for South Metro, I am pleased that the bill is before the house. It gives effect to a reframed project, although I can understand people's scepticism about whether we will see the final product. The bill does give effect to a reframed project. It will see rezoning of the revised development area. It repeals the existing act. It formalises the public consultation process. The conclusion of the sale and development agreement will return about \$9 billion to the government. It is good that it is finally before the house and I hope that it finally provides some certainty to those people in South Metro who are particularly affected by it.

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment)** [9.22 pm] — in reply: On behalf of the government, I thank those who spoke this evening for their contributions to the debate. I am aware that Hon Donna Faragher has had a very hands-on role in this project and a great deal to do with the Port Kennedy Development Bill 2017 and the issue when she was the Minister for Environment in the last government. I was not aware that there was a difference in the second reading speech that was delivered here and the one that was delivered in the other place. I sought advice from the adviser and the adviser was not aware either. However, I am very pleased to place on the record the role that she played in the sale and development agreement.

**Hon Donna Faragher:** It wasn't so much about reflecting on what I had done, but there was a key part in terms of when the SADA was signed that was important for the house to be aware of. When you remove that, that is where it becomes a problem. That was the reason I asked that.

**HON STEPHEN DAWSON:** I thank the member for bringing that to the attention of the house. I think the member has made that point and I am pleased that she did.

This project, as members have said, has been on the boil for a number of years. Ministers from the Court, Gallop, Carpenter and Barnett governments, as well as the McGowan government now, have had a role in it and we are all pleased that we are at this stage and that hopefully this project is very near to fruition. If we did not deal with

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the bill before us, there would be financial and legal exposure for the state. As people have pointed out, the bill provides certainty for not only the developer, but also the local community. In my second reading speech I mentioned that local residents would benefit in the form of more regional beach works, boat moorings, a public jetty in addition to the existing boat launching ramp and a surf club storage facility. The government will also benefit by retaining a western ecotourism site and a short-term accommodation site. There is a win-win for us too.

Hon Donna Faragher mentioned the sale and development agreement that was negotiated by the former government. It has been agreed to by the state and the developer. As I said, it is a win-win. We are all very keen to see the benefits that will flow as a result of this bill. I thank Hon Aaron Stonehouse for his contribution and his obvious passion for Port Kennedy. I think the tourism industry in this state and certainly the people of Port Kennedy will applaud his contribution. I also thank Hon Sue Ellery for her contribution. As a local member of some 16 years, she has watched this project over the years. She has indicated that she is pleased about where we are at today. I conclude by indicating that I am thankful to those who made a contribution and I look forward to the passage of this bill.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

*Third Reading*

Bill read a third time, on motion by **Hon Stephen Dawson (Minister for Environment)**, and passed.