

Division 43: Department of Planning, Lands and Heritage—Service 1, Planning \$167 810 000 —

Mr S.J. Price, Chair.

Ms R. Saffioti, Minister for Planning.

Mr A. Kannis, Director General.

Mr M. Hanrahan, Chief Financial Officer.

Ms E. Saraceni, Director, Reform Delivery.

Mr A. Wilkinson, Acting Executive Director, Market-led Proposals.

Mr D. Sanderson, Executive Director, Land Use Planning—Metropolitan.

Mr P. Laing, Senior Policy Adviser.

Ms E. de Jager, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the Member for Cottesloe.

[12.50 pm]

Dr D.J. HONEY: I refer to page 715 of budget paper No 2 and paragraph 6, market-led proposals. It was stated in the budget speech that the government has updated the market-led proposals policy to improve transparency and accountability. One of the concerns of people in my area and around Perth is that when they discover the existence of market-led proposals, the government has effectively already made a decision. Can the minister explain the detail of what the government is doing to make that a more transparent process so that communities are not surprised about projects that, effectively, seem to have already been approved by government?

Ms R. SAFFIOTI: In relation to transparency, we are seeking to ensure that the economic justification, or value-for-money concept, is presented when the decision has been made. With regard to some of the comments about MLPs that have been approved, we are trying to make sure that people can understand, in a readily available format, the value-for-money proposition for government. In relation to the member's area, it is a tricky balance between the intellectual property that MLPs are meant to bring to the concept versus the community understanding of what is happening. I made a major announcement last Friday: We are orientating some of the MLP process to be more government-led. I know that sounds a bit odd for an MLP process but, in particular, we are looking at land or developments to become problem–opportunity statements. That is when government goes out and identifies the problem or the opportunity and asks the private sector to be involved. One of the issues with MLPs, particularly in respect of land and developments, is that it is important to gauge the level of interest from the market, and problem–opportunity statements assist with doing that. There may be the same sorts of issues, but government identifies what the proposal should be or what the concept is and then goes to the market. That way, everyone is more fully informed on what is happening.

Dr D.J. HONEY: Using the East Perth power station site as an example, one of the concerns about market-led proposals is that after the decision to award that location to the proponents, the government then made the decision to allocate substantial funding—I think of more than \$100 million—to, effectively, projects that enhanced that location. How do we ensure that it is actually a level playing field for proponents, and that all proponents are aware of what government is planning? The minister perhaps partially answered that question with what she has already said, but that is my concern: that after the decision has been made, other proponents may have come in if they had known the government was going to contribute so much.

Ms R. SAFFIOTI: Yes. As I said, the reform of MLPs, particularly with regard to problem–opportunity statements, is about trying to ensure that there is clarity at the front end. On Friday we released a problem–opportunity statement to the market in which we asked for the construction of a train station. As part of that package, the potential proponent

gets to own 35 hectares of land, but is requested to tell us how it will build that train station and what is the net cost to government. The tender document that was released tries to identify exactly what we expect for a train station, and what we know in relation to the land, as in these are the constraints and this is the potential draft structure plan, and so forth. The revisions to the POS process, or the creation of this enhanced POS process, is basically about trying to get innovation from the market to make sure everyone is in the same place in respect of knowledge. That is why, in particular, we have tried to make the prospectus documents we are putting out as clear as possible about what we expect, to give the market and the industry the ability to innovate in order to deliver a solution.

Mr P.J. RUNDLE: I refer to paragraph 8 on page 715, planning reform. Can the minister enlighten us as to what changes the government is considering for the development assessment panel system, and what the new assessment pathway for significant developments will comprise?

Ms R. SAFFIOTI: The Premier announced this about two months ago. It is the next round of planning reform. I will talk about the pathway for significant developments later, but there are a number of components. There is further planning legislation being drafted and amendments to the Planning and Development Act that will be introduced into the Parliament. Those will help support some of the legislative requirements or changes. There will be updated regulations to support the act and also to implement other key proposals such as DAP reform. We are continuing to reform the DAP process, reducing the number of DAPs and changing what can be sent to DAPs. There will not be mandatory thresholds but there will be the option for proponents for projects of more than \$2 million. We are also including multi-unit developments in that process. We will create a state referral unit in the agency, which is all about trying to coordinate referrals to state government agencies and to better coordinate the entire state government position on projects, rather than the more ad hoc or, if I can use this term, inconsistent views on projects across agencies. We will try to coordinate a better referral system. We have set up a new developer contribution team, with some expertise in the accounting and finance world, again to try to make sure that the developer contribution process is much fairer and more transparent, particularly for landowners in the area. We are creating a major projects team within the department, which is all about facilitating planning; helping support initiatives like the housing diversity pipeline and other projects like the problem–opportunity statements; helping to support the cabinet housing subcommittee, which includes the Minister for Housing and me; and running projects like the infrastructure development fund.

With regard to the special pathway, we are creating a permanent special pathway for projects valued above a certain amount. That will make the Western Australian Planning Commission the decision-maker for those projects. Projects will be assessed by the state referral unit we are establishing. We will also create a new, dedicated time frame for assessment, which will be 120 days; currently there are no time frames for assessment. We brought the details of the special pathway to Parliament as part of the changes to the Planning and Development Act, because the authority for the existing pathways expires at the end of this year.

Mr P.J. RUNDLE: Will the state development assessment unit that the minister set up during COVID continue on a long-term basis through this state referral unit?

Ms R. SAFFIOTI: Yes. There is the assessment authority and there is the decision-maker. The decision-maker, with regard to the special pathway, will continue to be the WAPC, and the SDAU will fall into the state referral unit. As I said, this is more about government getting its own act together and making sure that the agencies are talking and are reflecting their required time frames.

The CHAIR: Thank you, minister. We have run out of time.

The appropriation was recommended.