

Chairman; Mr Chris Tallentire; Mr Terry Redman; Mr Mark McGowan; Dr Graham Jacobs; Mr Terry Waldron;  
Mr Peter Watson

---

**Division 21: Lands, \$42 397 000 —**

Mr N.W. Morton, Chairman.

Mr D.T. Redman, Minister for Lands.

Mr C. Slattery, Director General.

Mr A. Abraham, Chief Finance Officer.

Mr M. Darcey, Executive Director, Regional and Metro Services.

Mr P. Zadeian, Executive Director, Land Asset and Major Projects.

Mrs A. Hughes, Executive Director, Strategy and Reform.

Ms S. Eckert, General Counsel.

**The CHAIRMAN:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

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 estimates committee's consideration of the estimates will be restricted to the discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

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, 19 June 2015. 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 ask the minister to introduce his advisers.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Gosnells.

**Mr C.J. TALLENTIRE:** I refer to the first dot point on page 235, which states that there is a target of \$100 million to be raised from property asset sales. How are we progressing towards that target and has the minister had any advice on whether that target has had an impact on the value of the land being put up for sale?

**Mr D.T. REDMAN:** The Land Asset Management Unit is the Department of Lands' lead agency that manages the sale of lands on behalf of other agencies and also utilises the services of LandCorp and other agencies to manage land assets within the portfolio. Under the initiatives that try to support the broader state budget, we have committed to sell unutilised or under-utilised land, recovering that as an asset sale to help with the net-debt position. The Department of Lands has carriage of that. Against the budgeted positions, the department is meeting those targets. There are three tranches to that. The first included some significant assets, launched by the Premier and myself some time ago now, including a number of hospital sites and the East Perth power station site. About 20 sites in total were included in that. The next tranche is now for sale, and then a final tranche will come through as we work out what is unutilised or under-utilised.

I make the point that we just do not say that this is all the land available and dump it on the market. There is a very clear strategy, through the advice of the agency and some consultancies it has had in place, to ensure that we take a very strategic approach to the sale of land to ensure that we do not flood the market or manipulate any market outcomes to get highest and best value for the taxpayer of Western Australia.

We are rigorous in putting pressure on other agencies that might be land banking, or hanging onto land, or that cannot make a commitment on what it is going to be used for, so we are looking pretty hard at all land assets. That is the process we are working through.

The director general, Colin Slattery, will comment on targets and how we are going against those targets.

**Mr C. Slattery:** In the budget we have two particular outcomes we are seeking for land sales: firstly, land sales controlled by the Department of Lands, and therefore the Minister for Lands—crown land—and, secondly, there is a new role for the Department of Lands coming up in this budget, and that is reporting on land sales across the state government sector. That will be recognising freehold assets held by other state government agencies. They are all assets included in our land sales process, so the targets in the budget are backed up by our expectations of

Chairman; Mr Chris Tallentire; Mr Terry Redman; Mr Mark McGowan; Dr Graham Jacobs; Mr Terry Waldron;  
Mr Peter Watson

---

the properties we have in the pipeline for immediate sale and that are coming up for sale shortly. It also recognises that quite a few of the properties, and some of those in the top 20 announced by government, are constrained, so the government has also provided a divestment fund to the department to help bring those properties to market and to treat any of the particular aspects that we need to do to de-constrain those properties for sale. Effectively, we have a target. We are pretty confident that that target is built on reality; however, the market has to buy the properties and that will be totally dependent on how the market is operating at the time.

**Mr C.J. TALLENTIRE:** The department is keen to meet its \$100 million target, but does that not force it to want to divest land that might not be sold at its optimum value?

**Mr C. Slattery:** It is not a specific \$100 million target per year. We have a \$48 million target this financial year that we have met. We are backing up those specific targets with what we expect the market to be able to purchase. The idea of the divestment fund is to ensure that the people of Western Australia get the most benefit possible out of the piece of land, and that is something we learnt from Victoria, Queensland and New South Wales—it is the job of government to make sure it gets the best value for a piece of land. This is not a fire sale. We are reflective of the market and so we have to follow the market. If the market is not very exciting at a particular time in the future, we will not be putting onto the market vast “squadges” of land, as an expression.

**Mr D.T. REDMAN:** I would like to add to the response for the member for Gosnells. Imagine that there are pieces of government-owned land that can be put on the market straightaway. One includes land that is not needed or not used and it is de-constrained—that is, it does not have any risks attached or contamination—and it can be put on the market and sold. That is the easiest category of land. Kaleeya Hospital was one of those. It was a hospital asset. There was a market interest in it. It went straight to the market and there were no other decisions or activities involving it. However, some land assets require de-constraining if there are contamination issues. It might need to be rezoned to get the highest and best value from it. A judgement may need to be made. In some cases, we have some consultative support to help make those decisions—people who have very intimate interests in the marketplace and how it works and who know whether it is worth investing in the de-constraining to get the best outcome. In some cases, when we work through all of that, we find that it might be best to keep the land and develop it through LandCorp as a government developer. Decisions about getting the highest and best value from those assets are also made.

**Mr M. McGOWAN:** The minister said that there has been a range of tranches, so by way of supplementary information, could I ask for a list of all the land that has been sold under this program, what it was sold for and what the original valuation was?

**Mr D.T. REDMAN:** I am happy to provide the Leader of the Opposition with information about all the land assets that have been sold to date under the land asset management sale program, their valuations and what they were sold for.

[*Supplementary Information No B8.*]

**Mr M. McGOWAN:** Is the second tranche publically available information?

**Mr D.T. REDMAN:** As the decision is made to put properties on the market, they go up on the website. The website is now quite comprehensive. It basically shows what is on the market and shows the issues or whatever. People can hit a button and the site provides more information about those sites, whom to go to and who is the agent for that site, and I think there is some prediction about what might be coming through.

**Mr C. Slattery:** Currently, a range of properties are listed with agents for sale through the department. We are constructing a website at the moment to bring together all those properties. We can provide that list, but it is not currently on the website. We intend to have a list of properties that are coming soon to the market and properties being prepared for market. This gives a market signal of what is coming into the marketplace.

**The CHAIRMAN:** Is that information the minister is also providing by way of supplementary information?

**Mr D.T. REDMAN:** No, the information to be provided to the Leader of the Opposition by way of supplementary information include the sales to date, the price of those sales and the valuations of those properties.

[12.30 pm]

**Mr M. McGOWAN:** As another aspect of supplementary information, I am happy if Mr Slattery provides the information he just referred to.

**Mr D.T. REDMAN:** I make the point that it is a little difficult because it changes daily. As we make decisions to either bring product to market or do extra work in terms of decontamination or de-risking, those are in train,

and again it is just a whole changing face. There is a significant number and significant assets are in play. If the Leader of the Opposition can refine what he is after —

**Mr M. McGOWAN:** I am after what the director general just said he is happy to provide us with. It is easily available.

**Mr D.T. REDMAN:** The previous one talks about sales that have happened. I am happy to provide, by way of supplementary information, properties that are currently on the market and the valuations of those properties.

**Mr M. McGOWAN:** Great. That is the second one.

**The CHAIRMAN:** So we have clarity: are you going to provide that, minister?

**Mr D.T. REDMAN:** Leader of the Opposition, can I qualify that: I will not provide the valuations of those properties because there is some caution around the market sensitivity of that with respect to the people of Western Australia getting the best benefit and best outcome. I am happy to provide, by way of supplementary information, the properties that are on the market now.

[*Supplementary Information No B9.*]

**Dr G.G. JACOBS:** My question specifically relates to land asset sales. What is the status of the existing Subiaco football oval and is it subject to a land asset sale in the future? I believe it is a state asset.

**Mr D.T. REDMAN:** I am sure it is a state asset in terms of land, but it is not something that has come up as an asset sale, member.

**Mr T.K. WALDRON:** I refer to page 234. The second last item under “Spending Changes” is “South West Settlements”. There is \$4.695 million to the Department of Lands to facilitate that native title settlement. Could the minister explain that briefly; I do not want to take up too much time.

**Mr D.T. REDMAN:** I thank the member for Wagin for the question. It was quite historic yesterday here in Parliament in the Aboriginal People’s Room when the Premier and four other ministers signed the Indigenous land use agreement with six native title claimant groups for the Noongar settlement in the south west. It was a fantastic opportunity to be a part of that. It is a significant milestone. Fairly significant tranches of land are part of that settlement. The Department of Lands has responsibility to accumulate that and to identify those land assets, both freehold and managed leases and the like, and package that up. A figure of \$4.695 million was allocated to the south west settlement to the Department of Lands to operate a project team dedicated to meeting its obligations under that settlement. That is what is being worked through. The figure in terms of the land area: some 320 000 hectares of crown land suitable for inclusion in that Noongar land estate comprises 300 000 hectares of land suitable for creation of crown reserve under a management order and Aboriginal lease, as well as 20 000 hectares of land suitable for transfer to freehold. It is quite a substantial asset. Management of reserves, the granting of leases and the transfer to freehold will be to the Noongar Boodja Trust following the registration of the ILUA. Again, that was signed off yesterday by more than enough ministers and a Premier.

**The CHAIRMAN:** We are dealing with division 21. The question is —

**Mr C.J. TALLENTIRE:** Chair, before we proceed, can I check something with you?

**The CHAIRMAN:** Sure.

**Mr C.J. TALLENTIRE:** On page 244 there is reference to LandCorp. It appears as though that is a continuation of this division, 21. The opposition has some questions about LandCorp, so this is the time for us to put questions about LandCorp.

**Mr D.T. REDMAN:** No. LandCorp is division 51.

**Mr M. McGOWAN:** The Western Australian Land Authority “Asset Investment Program” is on page 244.

**Mr P.B. WATSON:** It starts, “A key corporate objective for LandCorp is to realise the potential of land and infrastructure”.

**Mr C.J. TALLENTIRE:** At the bottom of page 244 there are some rather substantial sums associated with LandCorp’s activities.

**The CHAIRMAN:** Member, if there is a question pertaining to page 244 and the information held on that page, yes, you can ask questions. Does that mean you are continuing with this division?

**Mr C.J. TALLENTIRE:** Yes, the opposition would like to ask questions about page 244.

**Mr D.T. REDMAN:** Member, it is my understanding that that does not come under this division. LandCorp is lined up under division 51 because it is an authority.

Chairman; Mr Chris Tallentire; Mr Terry Redman; Mr Mark McGowan; Dr Graham Jacobs; Mr Terry Waldron;  
Mr Peter Watson

---

**Mr P.B. WATSON:** Why are all the assets listed there?

**Mr C.J. TALLENTIRE:** There are billions of dollars of assets there.

**Mr D.T. REDMAN:** I will pass to Mr Abraham.

**Mr A. Abraham:** Page 244 —

**The CHAIRMAN:** I am trying to seek clarification so that we get this right.

Member for Gosnells, I am wondering whether you could take a look at division 51 on page 579 of budget paper No 2. If the questions that you want to ask pertain to that as well, you can ask them in that division. Otherwise, if your questions pertain to page 244, which we are looking at now, you are free to ask questions on that.

**Mr C.J. TALLENTIRE:** Thank you, chair.

I refer to “Works in Progress” on page 244. I refer to the estimated expenditure to 30 June 2015. There is a figure there of \$1.365 billion. Is that a cumulative figure?

**Mr D.T. REDMAN:** I will ask Mr Abraham to provide clarification on this as it applies to the budget papers.

**Mr A. Abraham:** The Department of Lands’ budget at division 21 finishes on page 243. The WA Land Authority, which is LandCorp, is part 4 of these estimates but it is not a division because it is not done through an appropriation of Parliament. It is to deal with its landholdings. Page 244 deals entirely with the Western Australian Land Authority, which is LandCorp and is not part of the Department of Lands. It is an entity and authority on its own. The appropriations seen there are all about capital funding. I think questions about its landholdings probably need to be directed to land —

**Mr D.T. REDMAN:** To give the member for Gosnells comfort, if we get on to that last division, I am happy to pick up a response to that question.

**Mr M. McGOWAN:** Via the Western Australian Land Information Authority?

**Mr D.T. REDMAN:** No. The WA Land Information Authority is Landgate, which is next.

**Mr M. McGOWAN:** What division is the minister talking about?

**Mr D.T. REDMAN:** Division 51. The last division we have listed here for deliberations is 51, LandCorp.

**The CHAIRMAN:** Technically, page 244 is part of division 21, which is what we are dealing with.

**Mr D.T. REDMAN:** I give an undertaking that when we get on to LandCorp, I am happy to pick up the member for Gosnells’ question, if that helps him.

**The CHAIRMAN:** Are you happy with that, member for Gosnells?

**Mr C.J. TALLENTIRE:** Yes, I accept the minister’s undertaking.

**The appropriation was recommended.**