

Legislative Assembly

Friday, 2 June 2000

ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Masters): Members, we have a quorum so I will start with my Chairman's statement. For the information of members, this Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published in two parts on Tuesday, part one at 9.00 am and part two at 8.30 pm. This year Hansard ask ministers, members and advisers to make their corrections on the daily proof *Hansard*. Hansard will forward the transcript to the minister's office for distribution to advisers. The cut-off date for corrections will be indicated on the transcript.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the consolidated fund's estimates of expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee.

While there is scope for members to examine many matters, questions need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the *Budget Statements* while there remains a clear link between the questions and the estimates. It will assist in the committee's examination if questions and answers are kept brief, without unnecessarily omitting material information. It is my intention 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. For the purpose of following up the provision of this information I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide. If supplementary information is to be provided, I will seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk by 12 June 2000, so members may see it before the report and third reading stages.

If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the minister to cooperate with those requirements. I caution members that if the 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. Only supplementary information which the minister agrees to provide will be sought by 12 June 2000.

It will also greatly assist Hansard staff if, when referring to the program statements volumes or the consolidated fund estimates, members give the page number, item, program and amount in preface to their question.

Division 57: Planning, \$13 646 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr G. Prattley, Chief Executive, Ministry for Planning.

Mr P.M. Melbin, Executive Director Corporate Management, Ministry for Planning.

Ms MacTIERNAN: I am looking at the issue here which is the management of Perth's growth, page 1027. I am wondering if you can just explain to us here what you are doing in relation to achieving that outcome in terms of the development of areas outside the existing boundaries of the metropolitan area. For example, we have developments in Moore River being approved, we have developments being looked at now in the old RAAF site in Bullsbrook and developments down in Mundijong. Can you explain how that sort of fits in with the long-term planning of Perth growth because it seems to me that we might be having some difficulty providing for the infrastructure to what essentially are going to be extensions of the urban area?

Mr KIERATH: There are several things going on. There was a State planning strategy which was released, I think, at the end of 1997 which guides the growth of the State for the next 30-odd years, I think, till 2029. That estimates that our population will increase by 1 000 000 people from about 1 and three-quarter million to 2 and three-quarter million. It is a broad strategy about where the development will occur, the population growth, etcetera. That is the broad aspect covering the State and we were the only State to have done that. We have won a national RAPI award in relation to that.

Behind that though there is the future Perth project which is looking at Perth as a capital city, that is, Perth city itself, Perth as a metropolitan area and Perth as a regional Perth, ie, Perth to Bunbury axis. Those studies are occurring this year. In the areas that you have picked there are a number of studies going on. There is one out at Forrestdale, Wungong and Southern River at the moment there is a structure plan. That is expected to go as a draft to the WA Planning Commission this month. There is a North-Eastern Hills Settlement plan which has been submitted as a draft last month.

Ms MacTIERNAN: What suburbs does that include?

Mr PRATTLEY: It includes basically all the areas in the hills from Parkerville right through to O'Brien Road, Gidgegannup through to Toodyay that have been subject to development pressures or ideas. It is essentially a process of examining what

is the potential of that area, how can it fit within infrastructure provision and transport provision or is there really any potential. There has been an extensive public consultation process on that. That went to the commission in March and we are hoping that will be released for further public comment and feedback in the very near future. They are addressing the issues that you raised.

Ms MacTIERNAN: They may be, but can we perhaps just look at the Moore River development which is, I think, 94 K's north of Perth but what will essentially be an extension of Perth? What was the departmental view on whether or not that particular development should proceed? Was there any input by the Ministry in relation to that?

Mr KIERATH: Moore River was actually zoned urban deferred so that had already been zoned. The ODP -

Ms MacTIERNAN: I am talking about earlier than the ODP stage.

Mr KIERATH: I was just saying earlier that it was zoned urban deferred. It then required an ODP which required the approval of the Planning Commission. It actually did not come to the minister. With ODPs they go to the Planning Commission and it comes up via the local council or the local shire. That is the planning arrangement for Moore River.

Ms MacTIERNAN: Minister, sorry, I want to go back a little bit further and pursue the bigger issue of not so much the ODP, but the timing of changing that from urban deferred to an urban zoning because it was actually a rural zoning, I believe. Obviously there is a lot of land that is urban deferred and that is not all going to be immediately changed into urban, is it?

Mr KIERATH: To change a zoning, which Moore River went from rural to urban deferred, that required an MRS amendment which went through both Houses of Parliament. To go from urban deferred to urban requires only an application to the Planning Commission.

Mr PRATTLE: I think Moore River is outside the metropolitan area. Basically we are dealing with history, I suppose. I am a little ill-equipped to answer it in detail because it predates my time in this State, but my understanding is that there has been long-standing provisions in the planning scheme for that area which left little room to manoeuvre. I know there were a number of concerns and issues raised at the time the commission addressed that issue but ultimately the commission arrived at the decision to do it.

Mr KIERATH: Normally with urban deferred it does not go to the minister. It goes to the Planning Commission.

[9.10 am]

Ms MacTIERNAN: This then brings me onto another issue.

The CHAIRMAN: Member for Armadale, I do like to alternate between Government and non-Government questions. This is a similar thing?

Ms MacTIERNAN: It is. It is directly related. Oddly enough, we have another situation down in the shire of Serpentine-Jarrahdale where they have land around the Mundijong town site which is zoned urban deferred and they have been very keen to change their town planning scheme to accord with that zoning, but they have been refused, by the minister, approval to actually change their town planning scheme to bring it into line - I think it is actually zoned urban - with the MRS, but they are being denied approval to amend their town planning scheme. It seems a bit odd. In one situation we have land which is urban deferred and that has been seen to not give any room to manoeuvre in relation to approving a development, but there you have a council where the MRS actually has the zoning as urban. They are seeking to change their town planning scheme to accord with that.

Mr KIERATH: They are running it as an amendment, are they?

Ms MacTIERNAN: No. They have made application, minister, which has been refused, I understand, to yourself.

Mr KIERATH: I am asking, is it an amendment? Serpentine-Jarrahdale has a number of amendments going through the system at the moment.

Ms MacTIERNAN: This is an amendment to their town planning scheme.

Mr KIERATH: If you give me the amendment, I will provide the information for you.

Ms MacTIERNAN: The question is, Minister, why was it that the application by the Shire of Serpentine-Jarrahdale to change their town planning scheme in relation to the Mundijong town site land to bring it in line with the MRS refused?

Mr KIERATH: If you put it on a notice, I will provide you with the answer.

Ms MacTIERNAN: Would you provide it by supplementary notice?

Mr KIERATH: No. I said if you put it on a notice, I will provide you with the answer.

Ms MacTIERNAN: Do you not know the answer, Minister?

The CHAIRMAN: Member, the minister has indicated that he would like more information from you and clearly you need to do that by way of notice.

Mr RIPPER: You could give her that supplementary information. You just will not.

Mr KIERATH: I have learned with this member to be very careful and I would give her the benefit of my experience, but I have decided in this case that I will not. It is my entitlement to and I have told her if she puts it on notice, I will provide her with a detailed answer.

Dr EDWARDS: Can I just ask before that as a sort of point of order?

Point of Order

Dr EDWARDS: Can we roll the two divisions together. Is that feasible? Presumably you have the same staff.

Mr KIERATH: That is up to the Chair. It is not a problem from my point of view. Usually we have gone through them in numerical order. The same people will be here. We are currently doing the Ministry for Planning and division 57. I think the Chairman will call it when we get to division 58.

The CHAIRMAN: Minister, I am quite relaxed about whether we should do those two together, but the real issue is whether you need to bring more advisers in to deal with division 58.

Mr KIERATH: I do not need any more advisers. It is just switching from one part to the other.

The CHAIRMAN: It does not cause me any problems. I am able to take direction from the committee, so if there is no objection from yourself -

Mr KIERATH: I would prefer to deal with it in order.

The CHAIRMAN: Thank you. Member for Maylands?

Dr EDWARDS: All right. We will just duplicate. I am happy to ask the same question in two divisions.

Committee Resumed

The CHAIRMAN: Member for Wanneroo?

Mr MacLEAN: Page 1027, dot point 3 -

Protection for bushland and other natural values needs to be extended to incorporate techniques other than mere reservation and acquisition.

Minister, with the problems in my electorate with Bushplan where we have blocks of land owned by individuals who now find that they cannot build their lifestyle homes on them. Is this an indication that at some point the department would be willing to put a building envelope onto those blocks so that these people can maintain them? They are zoned rural. There is no compensation for them. For some of these people it is their retirement dream for a lifestyle property. They do not intend to farm in any way. . The properties are too small for an active farm anyway. If they had the opportunity to build a house on the property, then they would maintain that site in good order. Is this the meaning of what you are saying, "other than reservation and acquisition"?

Mr KIERATH: Of course Bushplan is not finalised yet.

Mr MacLEAN: It is finalising me, I can tell you.

Mr KIERATH: Bushplan has not been finalised yet. We actually have a draft report. It is going through the process. I think it has arrived at the commission. I do not think it has been considered by the commission as yet, but certainly it is in the process. On the issue of Bushplan there will be a number of remedies and all the property owners have been notified and really the reference group has had to look at basically each individual property and there will be a range of options. The option that you have mentioned is one such option that can be used. I am aware of a particular property at the moment where negotiations have been going on. It is talking about perhaps in one corner of the property or one part of the property, allowing an area to be developed in return for putting a covenant over the remainder of the bushland. . That certainly is one of the options.

We have loosely grouped all of those options together and called them negotiated planning solutions, but it may well be from putting an envelope on the land to allowing further development in certain sections of the land, perhaps even higher density in parts of the land, to compensate for putting a covenant and reserving the bush in the future. There is a whole range of those instruments and we have just loosely termed them "negotiated planning solutions" because in the end they will probably form the majority of the private landholdings, bearing in mind that out of the 53,500 hectares I think all but about 5 000 hectares is actually in public ownership, so we are talking about less than 10 per cent of the total actually in private ownership.

Mr MacLEAN: That is all very well unless you own one of those blocks.

Mr KIERATH: I am aware of three negotiations that have completed so far and in every case those property owners have been happy with the outcome. They have actually been able to get enough benefits out of it to overcome any negatives that were associated with it.

The CHAIRMAN: Minister, for the member's benefit it is worthwhile noting that the draft Rural and Agricultural Land Use Planning Policy encourages exactly the solution that he has put forward.

Mr MacLEAN: But Bushplan does not.

The CHAIRMAN: I am just pointing out for your benefit that there is another policy in preparation which does allow exactly that, which presumably would be a good precedent. Member for Maylands?

Dr EDWARDS: Thank you, Mr Chair. On exactly the same issue, when do you think the draft Bushplan will go to the Planning Commission? How long do you anticipate it will be at the commission and when do you think the final plan will be released?

Mr KIERATH: The draft plan is with the commission now. I do not know when it will be finished because I expect that the draft plan would have gone to them at the end of last year and it has taken this long, so I think all of the time frames we set ourselves for Bushplan seem to slip, probably because of the enormity of the task, the number of lots that are included. There have been some difficulties on the reference group and at this stage I would not be prepared to commit myself to a date. I was hoping that it would have been completed by about now, but as the draft has only been received by the Planning Commission, I would say it is going to be quite some time away.

Dr EDWARDS: To follow on, how many negotiated planning solutions and settlements have taken place? Did you say three?

Mr KIERATH: I said I am aware of three that have been negotiated.

Mr PRATTLEY: My understanding is, there are only about three sites remaining of the negotiated category that we have not resolved a solution on and we would expect that by the time the commission has concluded looking at Bushplan, hopefully all or at least some more of those would have been handled and generally resolved.

[9.20 am]

Dr EDWARDS: What was the number of sites that you needed to negotiate over?

Mr PRATTLEY: I am sorry; I cannot remember.

Dr EDWARDS: Could I have that by way of supplementary information?

The CHAIRMAN: Minister, would you be able to provide that by way of supplementary information?

Mr KIERATH: That depends. At this stage I will not give a commitment to supplementary. Put it on notice. There are 2 000 sites.

Dr EDWARDS: Presumably the Planning Commission or the ministry will have a list.

Mr KIERATH: I am the one. Excuse me. I have said at this stage I will not provide it by way of supplementary. If you want to put it on notice, we can provide the answer.

Ms MacTIERNAN: It is open and accountable Government from the Minister for Planning.

Dr EDWARDS: The minister who is on top of his portfolio.

The CHAIRMAN: Order, members!

Mr TRENORDEN: Minister, on pages 1034 and 1036 there are actually four places where note is given about country programs. The bane of my life is the inability of State Governments to be able to get together in terms of developing rural land versus building on town sites. In fact the dearest process is building a block in a town site. We are making an artificial rod for our back where people are going for the larger volume land because it is cheaper and it has less conditions on the land like sewerage and all the rest of it. Do any of these processes here in this year's budget allow for some planning process where the cost of urban land against subdivisions within the rural parts of shires is going to be considered in my electorate.

Mr KIERATH: Do you want to run that one past me again?

Mr TRENORDEN: What is happening, Minister, is that the dearest way to live in my electorate is by buying a small block in the town site. You can buy 10, 20, 50 acres in the rural areas for less or the same amount. There is an artificial push, even though it is not intended, to get people not to establish in town sites, which is a cost to roads, schools and all the other things we talk about but not planning.

I would have thought it would have been one of the responsibilities of Planning to try to coordinate those sort of activities. Why they buy 10 acres or 20 acres is that they do not need to sewer it and there are a lot of other conditions but also they have got the dream of some time in the future being able to subdivide it and make some money out of it. The Northam township is growing but if you look at York, Beverley or Toodyay, none of those places has grown on the town site. I should not say that about Toodyay. That is not quite true but in Beverley, Pingelly and Brookton, the growth is going into subdivisions in the shire. Now, some of that is desired. I accept that but some of it is purely financial push. That is the cheapest way to get yourself a block of land.

Ms MacTIERNAN: Plenty of Homeswest up there, Max, would solve your problem.

Mr TRENORDEN: I would love to get some more Homeswest. There are no vacant Homeswest houses in my electorate, member for Armadale. In fact all of my electorate is growing strongly.

The CHAIRMAN: I think we will get back to the budget statements, member for Avon..

Mr TRENORDEN: The point is, Mr Chairman: is there going to be a planning process where this critical problem is going to be addressed and I would say not only for me but it must be around Geraldton, Bunbury, Albany and all those of places? They must be all the same.

Mr KIERATH: In answer to your question, I do not think there are any studies that I am aware of that are actually doing an examination of the market prices of rural land on the larger lots versus the small lots in the town centres. Through the Avon Arc there are pressures all over the place, which does include both the town site land and the rural land. That Avon Arc strategy is one of the ones that is intended to be finalised this year, but I have to say the Avon Arc is one of the more difficult ones because as you know there is an awful lot of conflict involved in that. I have representation from some groups already who do not like part of the draft of the Avon Arc who have been involved. They are trying to change that around.

I am not aware of any studies we are doing in relation to the price of land, though, to do with services. There is the country land development program but that is really publishing surveys of what people's requirements are, what lots are available and then using that difference to try to help us in a planning sense to make sure that we are providing land. Although that is providing the market with what they want, I do not think that addresses the question. That is why I asked you to ask the question to me again. I am not aware of any study that has been done to compare the cost of the rural land versus the cost of serviced land. We tend to be at the other end. We have been looking at the demand side.

Mr TRENORDEN: It is not just the cost, Minister. It is the cost to Government of providing services for those blocks which is really the critical issue. The Avon Industrial Park has been established. There will be several hundred jobs going into the Avon region. There will be pressure for people to live somewhere in my part of the world and they will go where the least resistance is. Some of those will go to the towns. I accept that totally, but many of them will go to five acres, one acre or 20 acres, not because necessarily that is what they want but that is the cheapest option.

Mr KIERATH: A lot do go there because they want a bit of land.

Mr TRENORDEN: I am not arguing with that. That is correct.

Mr KIERATH: Through our surveys, we pick up what people say they require and then our job is try to make sure that there is suitable and available land for their requirements. In the case of the industrial park you talked about, that has been factored into the Avon Arc strategy and we are hoping that we will finalise that this year.

Mr MacLEAN: On page 1027, the final two dot points, and on page 1028 the top dot point, Minister, it says that you are looking at the way the commission operates and affects people using those three dot points. If I could draw your attention to what is laughingly called the Telstra Buffer Zone in Landsdale, the local council, the old City of Wanneroo, put forward an application to have that area advertised for rezoning and it was denied by the Planning Commission on the ground that it would conflict with the land use of the Telstra Buffer Zone.

The Telstra operations manager for Western Australia said that he had no conflict there while the land was zoned as it was, so it gave the landowners no opportunity to test Telstra's validity in the fact that they required this land to remain as it was. The land has also been zoned as Priority 2 which you have accepted, although it is only 800 metres wide and the land is now subject to Bushplan when most of the land has been cleared at some stage, although Bushplan does say that if it is regrowth after five years, it is bush. How they can establish that is beyond most people but that is the way it is.

Given the use of some of those properties and the obvious attack from multi departments, why will the Planning Commission not allow some of these claims to be tested by allowing advertising to go ahead?

Mr PRATTLE: I think there has been a lot of evidence presented to the commission about the Telstra Buffer in itself. That is a major national and international facility.

Mr MacLEAN: There is no buffer there. I cannot find any reference anywhere to any buffer.

Mr PRATTLE: There are land uses that provide a buffer to that activity. Those land areas are subject to other constraints, such as water and Bushplan. That is still being reviewed of course. I do not know what the outcome on that site is but there are other constraints on that land that probably would have precluded early development of that land even if the Telstra facility was not there.

Mr MacLEAN: The so-called buffer which does not actually exist was one kilometre and now it is down to 800 metres. There did not seem to be any effect there. The Planning Commission was quite happy to take out that 200 metres. Some of the developments in there include a church and a school. There is a tin shed being built across the road from one of the arials. That supposedly is not allowable in that area but the Telstra people do not have a problem with it. The manager of regional operations in Western Australia says he does not care.

[9.30 am]

Mr PRATTLE: That is not the evidence that has been presented by Telstra to the commission formally.

Mr MacLEAN: The problem is that the owners of the land cannot test it because they cannot go to advertising. It would be reasonable to assume, given the statements in those three dot points I indicated, that the Planning Commission should be willing to allow the residents to at least test Telstra's bona fides by going to advertising. If Telstra is so intent in keeping that land as it is, then they would put in a public submission, not behind closed doors submissions.

Mr PRATTLE: The commission in supporting amendments has to believe the amendment for that land is appropriate, because once the commission initiates that, it implies the commission is not just testing. Yes, it is testing to confirm, but it implies there is an assumption that subject to there being no major objection to it, it is satisfactory. That is what I was trying to say.

Mr MacLEAN: That is the point, is it not? It is subject to no major objections.

Mr PRATTLE: What I am trying to say is the commission itself believes it has not been established that it is satisfactory for that land to be developed at this point. That is why it will not initiate an amendment for that land.

Ms MacTIERNAN: I want to ask some more questions about Bushplan. I wonder if you could explain to me what moneys have been set aside for land acquisition. Is there any money that has been set aside either in the commission budget or in any of the forward estimates?

Mr KIERATH: It is in the commission budget.

Dr EDWARDS: This is my point, actually. That is why I thought the two divisions should be considered together.

The CHAIRMAN: Minister, are you suggesting that the question needs to be asked in the next division?

Mr KIERATH: One of the difficulties is swapping backwards and forwards, but if we can find the information -

Dr EDWARDS: We did draw it to your attention.

Mr KIERATH: Yes, I know. It is easy for me to say, "Let's go back to the division then." We will go back to the division if you want to play like that.

Dr EDWARDS: You are the one who said it first.

Mr MELBIN: At page 1067 of the commission statement there is a broad summary of the commission's program for works, acquisition of land, and within that the commission estimates that it has spent in the order of \$5m on acquiring lands which would be identified within Bushplan. They may well be lands that are already reserved under the MRS, so it does not necessarily mean there are additional lands. That would be out of the commission's normal MRIF allocation. It is not additional funds.

Ms MacTIERNAN: That is what has been spent to date?

Mr MELBIN: That is what we would identify as lands that we have acquired that may well have been for a number of purposes.

Mr KIERATH: It has got completed works and it has also got new works of \$9m.

Mr MELBIN: That is right, Minister.

Ms MacTIERNAN: Is that \$9m all Bushplan?

Mr KIERATH: Yes.

Ms MacTIERNAN: It is \$9m that is being set aside for this year.

Mr KIERATH: It is basically \$9m set aside for about 10 or 11 years.

Mr MELBIN: \$10m a year.

Mr KIERATH: \$10m a year for 10 years. There has actually been nothing finalised in terms of the global amount but the original proposition that went out for public comment was \$100m being made available out of the MRIF over a 10-year program, and that is for acquisitions. Behind that there would be the negotiated planning solution, and bear in mind there may well be some Bushplan sites that are on land that the commission would otherwise acquire because of other reservations or other agreements and things like that, and that land would not necessarily be a part of that \$10m. It might be over and above that. If it was part of some other requirement for the commission to purchase, then it would be that. The additional moneys that were identified out of the MRIF, particularly for the purchase of Bushplan sites, was \$10m a year over 10 years, which is a total of \$100m.

Mr McNEE: I was going to ask another question, Minister, but that \$10m per year you are going to spend on Bushplan. It seems to me you spend more money on the destruction of people than you do on supporting them.

Mr KIERATH: What do you mean?

Mr McNEE: It seems to me that what we are doing is we are interfering with what really can be people's rights for some land and I question what Bushplan is all about and I would want much more clarification on how you are going to spend \$10m a year on that. That is not good enough, I am afraid. \$10m, and you are spending it on Bushplan?

Mr KIERATH: Yes.

Mr McNEE: To do a lot of things that you do not even know what they are.

Mr KIERATH: We do know.

Mr McNEE: You have not really defined them very well.

Mr KIERATH: We know exactly what they are.

Mr McNEE: I hope the public do.

Mr KIERATH: We intend to try and preserve 10 per cent of the known vegetation complexes. There are about 26 of them that occur in the Perth metropolitan region. That is our target, to try and acquire 10 per cent of those vegetation complexes in terms of land area. Some of them have already been cleared we have lost below the 10 per cent, so some of those it is not possible to achieve that 10 per cent target. Those ones are usually where some of the most difficult issues occur because in some of those areas where we do not achieve the 10 per cent you can have areas of bush that perhaps ordinarily may not be of the highest quality but because they are in very short supply, then they get a priority to acquire.

Let me make one thing clear. Currently there is no Bushplan that has been finally adopted. Any purchases that are made in relation to this, as I said, are areas that ordinarily the Planning Commission could acquire to put aside for reserves or parks and recreation or other forms of reserves and all of the acquisitions so far have been through a willing buyer, a willing seller and negotiation between the parties. There has been no compulsion in many of the Bushplan sites, no compulsion at all, for a person to sell.

Mr McNEE: You and I both know if we did not live in fairy land we would believe that, but that is rubbish. You and I both know that dealing with Government is an impossible mission.

Mr KIERATH: I do not know.

Mr McNEE: Perhaps you have never dealt with them.

Mr KIERATH: No, I have dealt with Government departments.

Ms MacTIERNAN: Are you speaking as an independent, Bill?

Mr McNEE: It is not about being an independent. I just happen to stand for people I support.

The CHAIRMAN: I think maybe the question should be directed to the minister, not to the member for Moore.

Dr EDWARDS: On page 1033, third dot point, we talk about Perth's Bushplan and my question is what progress has been done on the MOU, when will it be completed and who will it be between?

Mr KIERATH: That is under "Plans, studies and reviews to be finalised during the year"?

Dr EDWARDS: When will the MOU be completed, who is it between and what will it involve?

Mr PRATTLE: The MOU is part of the whole package of Bushplan that is being presented to the commission. There was a preliminary presentation at last month's meeting and there will be a further discussion on the issue by the commission this month. It is a highly complex issue and I would not give a commitment that the commission will finalise its discussion on that, but the MOU is part of that. The MOU is between the Ministry for Planning, the Department of Environmental Planning, Conservation and Land Management, and Water Resources. There may be an additional party in that, but they are the principal participants and it is essentially related to how we manage and process the dealing with applications and the interrelationship between the agencies and trying to ensure effectively that the Ministry for Planning is the key point when in Government for dealing with issues within Bushplan.

Dr EDWARDS: With respect to the MOU, where do the EPA and the Planning Commission fit in?

Mr KIERATH: The agreement will be between the DEP and the Ministry for Planning or via the commission I suppose. The EPA will not be actually part of that. They do not have the statutory powers but they are able to make certain decisions and really I think most of that detail will be negotiated through the DEP.

[9.40 am]

Dr EDWARDS: So is this a way of excluding the EPA?

Mr KIERATH: No.

Mr PRATTLE: Both the EPA and the commission in considering the whole package of Bushplan at this point in time, before it is finalised, are looking at the MOU as well. The MOU is about operational details and arrangements. Both the commission and the EPA will need to be satisfied that the issues within it -

Dr EDWARDS: When the final Bushplan is released, will the EPA do an assessment of that?

Mr PRATTLE: The EPA have already done an assessment.

Dr EDWARDS: They cannot do an assessment of a draft document.

Mr PRATTLE: We will await the advice from the EPA. The EPA are dealing with the issue currently.

Dr EDWARDS: In an informal manner?

Mr PRATTLE: I am not certain on how they approach it, but they are committed, as the commission and the ministry are committed, to try and produce a workable and clear solution that tries to avoid duplication of responsibilities.

Mr KIERATH: I think you really need to address that question to the EPA. What we do know is the EPA did make originally an in-principle decision that, as all the Bushplan sites have been assessed by them, they did not need to come back into the loop, but then they have some statutory obligations. If the MOU sets up certain things there are some appeal rights, etcetera. As far as the internal workings are concerned, you would really have to refer that to the EPA. All we know is they have made that in-principle decision and through the DEP we are working out the details of the MOU on how that will actually occur on the ground.

Dr EDWARDS: Is the MOU likely to exclude the EPA having a further look at the Bushplan site?

Mr KIERATH: The MOU cannot exclude the EPA of any of its statutory powers. An MOU is an administrative document and it cannot override any legislation, so where there are legislative rights under the EPA, I think there are some various appeal rights, etcetera. Even if they have assessed land, there are still some various appeal rights. No MOU can override those.

Mr MacLEAN: On that same dot point, when the WAPC is considering the report on Perth Bushplan will that report also include ways to streamline the acquisition of properties? One of the biggest problems we have at the moment is that people get an offer from Planning and they are left to sit there. Also, will it include a truly independent valuation on the property, because what has been brought to my attention is that just about all the valuers in Perth at some time worked for Planning and, if they give Planning a hard time, they might not work for Planning any more.

Mr KIERATH: I find that very hard to believe.

Mr MacLEAN: When you are taking someone's property off them, they tend to say things like that.

Mr KIERATH: Yes, and that is the key. Whether they say things like that and whether it is true, I think, are two different things. Basically, in acquiring land, the commission is bound by some rules and procedures for acquisition of lands, but in essence it works something like this: the commission will go and get valuers they are used to dealing with to put valuations on the land. The private property owner can go and get a proper authorised valuation. I use those words carefully, because what people often do is get an appraisal from somebody which is not really a valuation by a licensed valuer who has valued according to the criteria.

Mr TRENORDEN: Are they any good these days, anyhow?

Mr KIERATH: I am just pointing out that what happens is people think they are getting a valuation. They get a real estate appraisal that does not bear fruit, but basically if they have an authorised valuation, invariably, from where I see, if it is a legitimate valuation, the procedure drifts much closer to that valuation than it does downwards. But valuers are licensed.

Ms MacTIERNAN: You can get Ron O'Connor to go and do your valuations for you. You can make a fortune.

Mr KIERATH: Probably there are people around, as we have noticed, that have not done proper evaluations or exaggerated those, and I do think that is something that needs tightening up. But back to the point: basically if I was a property owner and I was negotiating with the Planning Commission, it would be up to me to go and get a licensed valuer and get a proper valuation. If that stood up, then that is inevitably where the negotiations will focus on.

Mr MacLEAN: The problem I face, the problem my constituents face, is that the Planning Commission blights the property by saying it is part of Bushplan or it is part of something else. There is a blight on the property which reflects in the value. The Planning Commission then come in and value the property according to the blight, whereas they should be -

Mr KIERATH: No.

Mr MacLEAN: Given that the Planning Commission's valuations are always somewhat lower than valuations and even offers prior to the blight appearing, it is a little difficult for me to appreciate that you are saying they work in a fair and just manner when other valuations say that the property is worth sometimes twice what you are offering.

Mr KIERATH: But when we value it, when the Planning Commission values it, they actually have to value it under the statute as if that blight was not there. That is their requirement. If, for argument's sake they bought Bushplan, they actually have to have best value of the land. You have been involved with some project control areas, and in that situation they have to value it as if that restriction did not exist. It is what loosely is termed "best use". We also value it at its maximum use. Even though that person may not have been using it at the use, the valuation is done on the best use that it is under that particular zoning.

For argument's sake, you could have somebody that was sitting on a few acres of land that was zoned urban and they actually had not developed it, they were still sitting on it, and we would have to buy it at urban at the maximum value and density that could possibly be done under the town planning scheme, even though it may well have been blighted by Bushplan or something else. There are a lot of myths about negotiations, because obviously in negotiations the individuals always want to maximise the sale value of their land, but I have provided you with some factual information about actual sales that shows, I think, in the control area around Lake Pinjar that before we stepped in the market the prices were pretty low and, as soon as we established that control area, immediately the prices rose.

We are already seeing a similar sort of thing happening in Wattleup and Hope Valley where we have been acquiring hardship cases, and we have seen an increase in the property values as well, because once we step into those sorts of things, everyone has got a guaranteed buyer, so they can negotiate the best price, knowing full well they have got a guaranteed buyer sitting behind the scenes if everything else fails.

Ms MacTIERNAN: What percentage have the prices down there gone up by?

Mr KIERATH: I will give you that information a bit later on.

Ms MacTIERNAN: I was going to ask about something quite different, but if I could just follow on from that. The prices have over the last 10 years dropped in that area quite significantly. Are you saying now that, since your announcement, the prices have in fact gone up and, if so, can you give us any idea by what sort of percentages we are talking about?

Mr KIERATH: We do not have anything with us at the moment, except that there was a graph produced showing the sales. It showed a downward trend and it showed a stabilising. Obviously it is a bit lumpy; it goes up and down. It has stabilised and there have been slight increases in some properties. I was also given figures for, I think, average land prices down there. It had dropped to about \$73 000 or \$75 000, I think it was, and risen to about \$83 000, but I had previously been getting confused with the total land and package deals as against the average land values. The average land values have risen and the total package deals have stabilised as part of a fairly long continuing decline.

Ms MacTIERNAN: Are we able to get by way of supplementary information the graph and the material that you have on that?

Mr KIERATH: Yes, I can certainly give you that, because I know that is prepared. It is around, so it is just a matter of getting our hands on it, and I would be prepared to give you the graph and provide it by way of supplementary information.

Ms MacTIERNAN: The other details as well?

Mr KIERATH: There is a chart and a graph, and I will get both of those for you under supplementary information. There was one thing in relation to the earlier comment, too: when we are looking at sales and negotiations between people with different valuations, if the valuations are apart, there is always independent arbitration that is available to the parties and invariably we find, I have to say, that we are willing to go to arbitration and often the other parties are not, mainly because they know that the so-called valuation they have would not necessarily stack up under arbitration.

[9.50 am]

Mr MacLEAN: Their view is that it is a boys club.

Ms MacTIERNAN: On page 1040 it talks about this year you are going to be finalising the State coastal planning policy. I am wondering if we can just get some detail on this because there are a series of policy documents that have been released of different standings in relation to the coastal policy. Can you tell us now where we are actually at? What policy documents have we in place that are currently accepted policy and what policy documents are there that are mere draft policies because there is a great deal of confusion out there in the community about the status of the various coastal planning instruments that you have?

Mr KIERATH: You will see on the top of page 1040 the ones listed there which are "State foreshore policy, State coastal planning policy and guidelines for coastal management". They are all designated to be finalised during this year so that would tell you that none of those have actually been finalised to date. In Planning, when we are intending to develop policies, we do get a policy, we do put it out in draft form, we do seek submissions and we do take those submissions into account. I am not sure whether you are referring to the State coastal planning policy or the guidelines, the ones referring to setbacks, etcetera. That is out as a draft and that has not been finalised yet.

Ms MacTIERNAN: Minister, there are a number of different documents. I do not have them with me now, but some appear to have the status of being policy documents. I am just wondering if we could just go through because there are some relating to country areas, there are some relating to metropolitan areas and there are some that appear to relate to all. What documents do we have? What accepted policy documents do we have at the moment in relation to coastal planning?

Mr PRATTLE: I would not like off the top of my head to try and give you a complete list. Obviously there are issues like the coastal and lakelands policy that applies to the coast south of Mandurah and there are a number of other policy documents, some of which go back many years. The purpose of the State coastal planning policy that we are talking of developing here or is currently under development is to try and rationalise and update some of the older documentation, but there will always be specific policies relating to coastal policies embodied within other policy documents like the -

Ms MacTIERNAN: No, I am talking about specific policy documents like the one that came out in June 1998. I think it is DC2.3.

Mr PRATTLE: That is the coastal and lakelands policy.

Ms MacTIERNAN: I do not think it was lakelands. I think it was just coastal. What I am trying to determine is that we have up and down the coastline, and in particular in the metropolitan area but also outside the metropolitan area, a series of decisions being made about developments and subdivisions on the beachfront and what I am trying to determine is which documents you have currently in train that you use as policy to determine your position in relation to these matters.

Mr PRATTLE: State planning policy number 8, I think it is, documents all of the existing policies. As I said, some of those go back many years and we are going through a process of trying to rationalise the policy framework, but there are very different circumstances up and down the coast. The coastal and lakelands policy was dealing with the very specific coastal issues in the area south of Mandurah. There are other policies that are components of things. I think the biggest issue probably is the coastal policy applying to the metropolitan area and that probably relies on the more generic policies of the past and will be a major part of the focus of the planning policy work that is currently under way, but we can provide you with a list.

Mr KIERATH: We can provide a list of current policies by way of supplementary information. What I would like to do is add that in this item of expenditure, bearing in mind current policies have already been expended, these that are planned to be finalised this year, I can say that for the State foreshore policy at the top of the list we expect a draft around December, the end of 2000, but that would be a draft so it will probably be almost another 12 months away from that before that was finalised. The State coastal planning policy is under way currently and we would hope that would be to the Planning

Commission by the end of the year and perhaps for release early next year and the coastal management guidelines we hope will be presented to the Planning Commission probably around September or October of this year.

Ms MacTIERNAN: Can I just get back to this issue? I presume that this is stuff that you would be reasonably well aware of because it has been the subject of considerable public notoriety. You will recall with the Leighton Beach development with the proposed setbacks of something beginning at 35 metres. It was pointed out that this conflicted with what appeared to be a policy document that had been produced in June 1998. This is this document DC2.3. Are you not familiar with that?

Mr PRATTLE: I am trying to pick exactly which one that is. We do have a whole range of policies. I know we do not have a policy for setbacks. There is a guideline document.

Mr KIERATH: One of the problems is that there were two things. I think there was a guideline policy. There was also a draft policy. We found a lot of people were quoting from the draft policy when that actually had not been finalised and that is one of the dangers that you get into.

Ms MacTIERNAN: When was that draft policy produced? My understanding is that policy was produced quite a few years ago.

Mr KIERATH: The draft, I think, has been around for a couple of years.

Ms MacTIERNAN: Why have we had that then, because the developer then said, "We are not obliged to take any notice of this because it is only a draft policy"? Why was that left in draft for such a long time?

Mr KIERATH: Probably because of the sensitive and difficult nature of it. It is not an easy thing to resolve. If we had to wait till that resolved, it might well be some further time so what we have done with Leighton is decided to go off and establish the guidelines now rather than wait for that policy to be finalised.

Ms MacTIERNAN: You are establishing guidelines just for Leighton, are you?

Mr KIERATH: In the case of the State coastal planning policy that is under way. We expect that to be finalised in the latter stage of this year.

Ms MacTIERNAN: Yes, but that is only a draft though, Minister.

Mr KIERATH: I actually took the time and effort to read it out to you. I was hoping, in this budget here, that the State coastal planning policy would be finalised this budget year. Our time line is that we hope it would go to the Planning Commission by November 2000 and probably be released around January or February 2001.

Ms MacTIERNAN: This is what puzzles me. If that is a feasible timetable to get that approved, I am asking why this coastal planning document that was prepared in June 1998 as a draft two years later was that not formalised?

Mr KIERATH: I gave you the answer to that. It is because of the difficult and sensitive nature of it.

Mr TRENORDEN: You have an Arc strategy. If that is put through in two years, I will be after some people's blood. There are a lot of things to be worked out.

Ms MacTIERNAN: Really we have these policies and we are not likely to get any firm policy before the end of financial year. Is that right?

Mr KIERATH: In the case of the State coastal planning policy, it is our intention to finalise it in this current financial year.

Ms MacTIERNAN: That is right; so at the end of the financial year.

Mr KIERATH: Please do not put words in my mouth. I thought I explained it very clearly. I said. I expected it to go to the commission by the end of this calendar year and to be released early in the new calendar year but, in any event, be finalised this financial year which goes till June next year.

Ms MacTIERNAN: Minister, can I just clarify this? You are talking about this policy being an accepted policy, not a draft policy. Is that correct? Are we talking about a draft or a final policy?

Mr KIERATH: How can we talk about a draft? I said the draft was released several years ago.

Ms MacTIERNAN: Is it the same document? Are we talking about the same document? I thought this was a new document.

Mr KIERATH: I do not know what document you are talking about. If you are talking about a document that is a draft document that has been floated in the broad general debate, that is usually a draft of this particular document.

The CHAIRMAN: Member for Armadale, the dot point on page 1040 says "finalised" My interpretation of the minister's statement is that none of those will be draft documents. They are all final documents.

Ms MacTIERNAN: I admire your confidence in the minister's intentions there. I just want to get it on the record what he actually does mean.

The CHAIRMAN: It is my interpretation of the minister's confidence that these will be finalised by the end of the financial year.

[10.00 am]

Ms MacTIERNAN: Can I just then ask about in relation to Leighton? You are developing specific guidelines for Leighton that will be separate, because Leighton is going to be resolved before you are going to have this policy finalised, so are we talking about a separate set of guidelines for Leighton?

Mr KIERATH: The guidelines for Leighton will be more site-specific. The people at Leighton did not want to wait until the policy was finalised. They actually said they wanted to know ahead of the finalisation of the policy. I think the line they ran is they did not want it to be after the next State election, they wanted it to be before. Certainly in terms of developing the guidelines we have a time frame. We have put that out. It has been publicly released. I do not actually have the document with me but I can provide it to you. It has been sent out to most people. It sets the guidelines that will be addressed, the issues, the time frames, and I think currently we are still on target to have those guidelines put out in about September, October this year. That is currently the time frame we are working on.

Ms MacTIERNAN: "Put out" meaning put out as a draft or put out as the final?

Mr KIERATH: We have an implementation committee that is developing them and obviously when they have their recommendation, that will be put out for public comment.

Ms MacTIERNAN: In relation to Leighton, it is not likely to actually be resolved before December. Is that right?

Mr KIERATH: I do not have the time frames with me. I think the public release of it was scheduled for September, October this year. Then you would have to add on any public consultation periods, etcetera, for that document.

Ms MacTIERNAN: Which would be a couple of months.

Mr KIERATH: If the committee get it right and the guidelines have strong public support -

Ms MacTIERNAN: You would be looking at December.

Mr KIERATH: I would not want to commit myself. Usually it goes through three months' advertising, then you have to allow time for the issues to be collated. If it is pretty well straightforward and there is not much public submission and most people are supportive of it and there is no criticism of it, then it would be a matter of meeting up with the various -

Ms MacTIERNAN: Three months from October. My calculations would make it around January. Would that be a fair assumption?

Mr KIERATH: I do not know because I do not have that information with me.

Ms MacTIERNAN: You do not know that three months from October generally means January?

Mr KIERATH: If I can remind the member, and this is what I was trying to explain but I do not think you were listening to either, that it is not just the three months' advertising. You advertise for three months, then you have to go through the submissions, you have to analyse the submissions, you have to respond to the submissions, you have to make recommendations to the submissions. That gets done and then it goes through the various committee stages of the commission, the particular committee up to the commission. If there are no difficulties, then one month would probably achieve that.

Ms MacTIERNAN: One month after it goes out for public comment? This is what I am -

Mr KIERATH: No, do not put words in my mouth. I said after it has been three months of going out for public submissions, then I said those submissions have to be analysed -

Ms MacTIERNAN: No, I appreciate that, Minister, but can we just -

Mr KIERATH: - responded to, and then when all that has been completed a report would be prepared and for that report then, if there were no difficulties, it would probably take about a month to six weeks to go through the various committee stages and to get through, but if there are any queries or references back down, that puts the time frame out.

Ms MacTIERNAN: I do appreciate that. We are talking about September, October going out to the public. That is the sort of time frame we are looking at. That process would then take probably a minimum of three months to get the public comment. Even if it is very good, it would take three months to go through that process. Is that a fair assumption?

Mr KIERATH: I have said the requirement is usually for three months of public submissions.

Ms MacTIERNAN: All right, and then there would probably be a month to six weeks -

Mr KIERATH: I do not see how there is any interpretation on three months.

Ms MacTIERNAN: Okay, a month to six weeks after that, then once you have your -

Mr KIERATH: No, that is a point I did not say. I said a month to six weeks after it has been analysed and I went through the process. You have three months. You have then a time frame which I did not put any time frame on because I said it depends on the submissions, the complexity and everything else, but those submissions have to be analysed, they have to be assessed, they have to be responded to and recommendations have to be made. After the recommendations have been made, a report has been done. If there are no problems with it, that would take a month to six weeks to go through the process.

Ms MacTIERNAN: We would not really be looking at anything before February 2001?

Mr KIERATH: You will see the guidelines that are put out in September or October this year.

Ms MacTIERNAN: They are just guidelines at that stage.

Mr KIERATH: They are only ever going to be guidelines.

The CHAIRMAN: These are the guidelines that are going out for public comment.

Mr KIERATH: Yes.

The CHAIRMAN: What the member is talking about is when is the report at the earliest likely to lob on the desk of the WAPC? She is suggesting about mid-February. You are saying if it is a complex issue, it may well be beyond that date.

Mr KIERATH: How long is a piece of string? I do not know what the public submissions are going to be. I am sorry but I have to wait until I see what the public submissions are.

Ms MacTIERNAN: I appreciate that.

Mr KIERATH: I can have anything from no submissions to thousands of submissions.

Ms MacTIERNAN: Minister, I do appreciate that. What I would just like is the minimum time frame if everything went -

Mr McNEE: What about a fortnight -

Mr KIERATH: The bottom line is that people that have an interest in Leighton will know the recommendations. There is an implementation committee and they will know their recommendations in September or October this year.

Ms MacTIERNAN: That is the implementation committee. Okay.

The CHAIRMAN: Then the earliest likely date of a report going to WAPC is middish-February, but maybe later.

Mr KIERATH: Yes, except, Mr Chairman, I think most people are interested to see what the guidelines would be, whether they are acceptable, whether they are unacceptable, and they will have an idea of that when they go out for public comments.

Ms MacTIERNAN: Minister, it took approximately three months from the time that you made your announcement, I think it was in January or February, to try to resolve the imbroglio at Leighton that you were going to take control of the process. Why did it take three months for the Ministry of Planning to actually come out with the plan for the consultation period, because it does look like it was being put back, without wanting to be too cynical, to take this out from the election period. Why did it take three months to actually come out with simply a set of guidelines as to what the process was to be?

The CHAIRMAN: Member, I am not quite sure if you have referred to a particular part. Having said that, I will leave it to the discretion of the minister to answer if he so chooses.

Mr KIERATH: I have to go the other way and say what is the point you are trying to make because I am not sure what -

Ms MacTIERNAN: I am trying to ask you why has it taken three months?

Mr KIERATH: I will add to that, so I have not asked any request to delay or speed up the process. It has been the ministry's response to developing a time line, how the issues would be handled, and in fact I think I made it quite clear to the ministry that I actually wanted it to be reasonably fast and expeditious.

Ms MacTIERNAN: Is that right, and they just disobeyed you?

Mr MacLEAN: Still on page 1040, dot points one, two and three all call for some considerable input from the staff at the Planning Commission. I am just wondering how this will affect Council's new town planning schemes and any amendments they are putting before the commission in an administrative sense. Are we looking at long delays for Local Government authorities' amendments, etcetera?

[10.10 am]

Mr KIERATH: Are we looking at long delays? There are often delays between the councils and the Planning Commission and I have had several complaints over my time as minister from councils. With I think about one exception, I have often found they will have a difficult issue that they will deal with for a number of years, maybe two or three years wrestling with it, and when they put their recommendation up to the commission, they expect it to be completed yesterday. I think if it has taken them several years to come to grips with it, it is very unrealistic to think that the commission is going to deal with it yesterday.

There was one exception and the exception was the City of Melville and that had been caught up in a number of difficulties. I think there were transfers inside the ministry, officers being transferred around, and it had been going for about five or six years. From the city's point of view, there had been four changes. There had been staff changes in the Ministry for Planning. Once the will of the City of Melville was to deal with it, I then did approach the ministry and asked, "What can we do?" and we dedicated an officer who went away from the ministry's offices and dealt with it over a period. I think at that time it took about two or three weeks to deal with the issues. That issue was finally resolved last year and gazetted, I think, in about December of last year.

What I am trying to say to you, I guess, in terms of your overall resources issue is that there will be enough resources to do what is here and also attend to the amendments to local authorities' town planning schemes. What I am trying to say is, in my terms, do not always believe the line that is given to you by the local authority. You are aware of one of them that has been around for about 23 years.

Mr MacLEAN: Yes, 25. We expect it to be passed through the Planning Commission by Christmas because we have not actually put it up yet, but it will be there soon.

Mr KIERATH: Yes. . That is the point that I make. This is actually a classic one, if they have had it for 25 years and have not been able to resolve it. I do not expect the Planning Commission will ask for 25 years to deal with it, but it would require usually a substantial amount of time to deal with the issues, although I think with that one we are actually getting pretty close. The local authority is now pretty close and the good thing is, I think we have good dialogue between the local authority and the commission. If that occurs, that speeds up the process. What we find is, if you do not get the dialogue, you are going backwards and forwards and the authority will often chase up things that the commission is not going to approve, for argument's sake, and so you waste a lot of time. If there is a fair degree of liaison and discussion over the issues, that does actually expedite it, but from my point of view, if the commission had it for any more six months, I would be asking questions.

Mr MacLEAN: Before you go on, just on that point, I recently had contact with a country local authority. Compared with the City of Wanneroo, the difference in the planning procedure was quite marked in that their planner, although obviously competent to be a country town-planner, did not have a grasp of the overall scheme of things. You might know the person I am referring to. Is there a process within the ministry whereby someone can go out to these local authorities, who are now starting to come under a fair bit of stress from people who want a lifestyle existence, and assist them with bringing their town planning schemes up to speed and with the rules and regulations that they are going to fall into when they put their town planning schemes up and they are rejected with recommendations or whatever?

Mr PRATTLEY: The answer to that is yes. If I could go back to your first point about the range of issues, and there is an extensive range of issues in that policy and legislation area, in restructuring or tweaking the structure of the commission last year we deliberately set up divisions or units that would avoid that conflicting workload, so we have a strategic division that deals with the major research work and strategic development of policy. We set up a separate policy and legislation unit under Ray Stokes which handles the legislation and the more detailed part of the policy formulation work.

We have set up an urban design in major places unit under Evan Jones, which can focus on issue-specific things like Armadale or Gosnells or the ideas project and Leighton, that can run with the amount of time those issues consume without interfering with the day-to-day statutory processing areas which are handled under the local and regional planning division, so those responsibilities are split. The people dealing with the planning schemes are not the ones dealing with these policy and legislation issues.

In terms of the second part of your question in relation to country areas, yes, we do make a practice, as far as we are able to within our resources, to assist Local Governments. We specifically seconded part of the time of some of the staff from the south-west office in Bunbury to work with some of the local shires down there, addressing some of the planning scheme issues arising from the forestry debates, and we work with the rest of the councils in the country areas. Some of them have no planning staff at all, so we have to provide a lot of assistance and a lot of input and a lot of guidance, but that does happen.

Mr KIERATH: There is also the peer review panel which is a joint initiative between Planning and WAMA and, although it is there to handle, in some cases, complaints, it is also there to handle and assist shires that are experiencing tremendous conflict and planning growth, to help them set up the appropriate systems to deal with the planning issues as they arise.

Mr RIPPER: Minister, I refer to page 1027 where one of the principles underlying the ministry's activities is -

Ensuring planning for employment location is highlighted.

I want to ask, what is the planning status of the Breton Bay area? Is it Government policy that an industrial area be established there? What action is the ministry undertaking with regard to Breton Bay?

Mr PRATTLE: The ministry is managing a major consultancy study that is looking at the whole range of options for the future structure of that area. Industrial development of part or some of it is only one of those options, so the study is all-embracing, looking at what are the competing demands in that area, what are the realistic opportunities or expectations for the future, and that study is, I think, approximately halfway through at the moment. It is a very large piece of work and there are extensive consultation processes involved in that as well.

Mr RIPPER: Can you indicate when that study will be made available to the public?

Mr KIERATH: He said it is only halfway through. It has been going for over 12 months.

Mr PRATTLE: We are hoping that we will have our report from the consultants to the commission in January-February and a release to the public probably about March-April next year. The consultants ran into some delay because their principal consultant who was managing the work developed a severe case of leukemia and was hospitalised, so they had to find another major project manager. It is a very extensive team of consultants, so that was quite a big issue.

Mr RIPPER: In the meantime, is any land acquisition occurring or are there any controls on what can be done in that area?

Mr PRATTLE: Not from the Ministry for Planning's point of view. I understand LandCorp have the capacity to acquire.

Mr KIERATH: LandCorp do have the capacity to acquire. You would have to refer that to them. We are not doing any land acquisition ourselves.

Mr TRENORDEN: Minister, I have little curiosity about 1042 on some of the budget items. Can you explain to me, just so I know, on the current liabilities, employee entitlements, is that totally or partly as referred to on page 1045, saying that the ministry's annual leave liability will be reduced? If you look at that line, it is stable, I guess, last year and this year and then it starts to decline, but then you have other liabilities in the future, two years projected of \$172 000 and \$272 000. If that is leave entitlement, are the non-current liabilities on the next line down, which is constantly growing, superannuation? I presume it is not because that should not be growing at that sort of rate.

[10.20 am]

Mr KIERATH: Let us start with the last one first. Non-current liabilities is basically provision for long service leave.

Mr TRENORDEN: That is long service leave.

Mr KIERATH: That is basically provision for long service leave liability. They are ones we know are going to come in in those years. The issue that you raised with me under "Current Liabilities, Employee Entitlements" is annual and long service leave liability; also salaries that are outstanding at the end of the financial year. The other liabilities which you raised I am advised are outstanding accrued expenses at the end the financial year.

Mr TRENORDEN: I do not understand the last answer, Minister. What did you say it was?

Mr KIERATH: Accrued expenses at the end of the financial year.

Mr TRENORDEN: Why would that start occurring in budgets two years and three years hence?

Mr MELBIN: That will be a balancing figure. These are estimates of our liability of annual leave and long service leave. We would be looking there, I would suggest, in terms of any liabilities that we may need to adjust, such as someone having pro rata leave that we may have been assuming they would accrue but it may not be due to them. As your year goes through, you accrue a liability but you cannot take it. That is the type of thing.

Mr TRENORDEN: So it is really a separation of those.

Mr MELBIN: Yes.

Ms MacTIERNAN: Looking at the coastal planning issue again, you have reference on 1040 to finalising that plan and also on 1027 to your general responsibilities, I think, of having a Statewide planning strategy. How is this fitting in with the Burns Beach scenario? As I understand it, the EPA have advised quite strongly against any further approvals of the land in that Burns Beach area, yet that does not seem to have affected the planning process. Could you just explain to us how Planning views these firm recommendations by the EPA? There is concern about the interaction of these different agencies; if you have the EPA coming out quite clearly and categorically against any further expansion in that area, yet Planning continuing on with the processes.

Mr KIERATH: You referred to 1040 and the State coastal planning policy. The policies are broader policy issues. They are actually not site-specific so you do not get down to what you are doing in Burns Beach, what you are doing in Leighton and what you are doing anywhere else. The issue of what the EPA are doing at Burns Beach is really an issue for the EPA and the Minister for the Environment.

Ms MacTIERNAN: My question is, Minister, how are you going to view the EPA recommendations? What weighting are you going to give those?

Mr KIERATH: I think the EPA decisions actually override anything that we might make anyway.

Dr EDWARDS: Let me ask by way of supplementary: when will the Minister for the Environment make her decision on that policy?

Mr KIERATH: How can you ask me?

Dr EDWARDS: Because you have a great interest. You have got an MRS amendment sitting there. Presumably you talk to her.

Mr KIERATH: If you want to know when she is going to make that decision, you would have to ask her. It is not appropriate to ask the Minister for the Environment a question through the Minister for Planning.

Ms MacTIERNAN: To what extent does Planning and the Planning Minister take into account the findings of the EPA in a decision like Burns Beach? This is particularly relevant, given that we have a vacuum of policy guidelines at the moment.

Mr KIERATH: We do not. The statutes are very clear about the relationship between environmental and planning legislation. The only way I get involved is where there are appeals to the minister and the minister applies conditions to those appeals. Those conditions are a result of consultation between the Minister for the Environment and the Minister for Planning. I have had some consultation with her. I do not know when she is going to finalise it.

Ms MacTIERNAN: You do not have any independent role as the Minister for Planning, making a planning decision.

Mr KIERATH: I explained to you the interrelationship between the environmental and the planning legislation. It really is in relation to her setting conditions on decisions that come to her on appeal. There is consultation with the Minister for Planning. If the ministers cannot agree, it might even end up being in Cabinet in the end. We have had consultations. I understand that nothing has been finalised as to the time frame of that. You would have to ask that of the Minister for the Environment.

Dr EDWARDS: When would you anticipate that MRS amendment going to Parliament, with or without the Burns Beach component? Do you think that will be this year?

Mr KIERATH: I think we have been awaiting the resolution of the Burns Beach issue.

Dr EDWARDS: What role are you playing in the resolution?

Mr KIERATH: I have met invariably with some of the parties, but the person at this stage primarily in the driver's seat is the Minister for the Environment.

Dr EDWARDS: Going back to page 1033, dealing with the Perth Bushplan, how many Bushplan sites have been cleared to date?

Mr KIERATH: I am not sure we are aware of any that have actually been cleared. There has been some clearing or part-clearing in some Bushplan sites. In terms of the total number of sites, they are very small. There are controls, I think, and the Soil Conservation Commissioner has some powers. Our understanding is that if somebody goes to clear a site, that is actually development and they cannot do that without development approval.

Dr EDWARDS: Does that cover Government departments, though? It would not, would it?

Mr KIERATH: I do not know.

Dr EDWARDS: It would have the shield of the Crown.

Mr PRATTLE: I have not seen the outcome of yesterday's Supreme Court decision to be able to answer that question. Previously it would have. Under the Bayswater decision, there is a possibility it would not. That was to be determined yesterday. I have not yet been advised what the outcome of that determination was. But in terms of Government agencies, there is generally very close consultation with the minister over any site that involves bush or Bushplan.

Mr TRENORDEN: What is the Indian Ocean Territories Program on page 1046? You get paid from the Feds, I gather, to run the process.

Mr KIERATH: The answer is that is Cocos Island and Christmas Island.

Mr TRENORDEN: You get paid money from the Federal Government.

Mr KIERATH: Yes. It is right across Governments. It is actually a fee for service.

The CHAIRMAN: Members, it is almost half past 10. We will adjourn for 10 minutes.

Sitting suspended from 10.30 am to 10.49 am

Division 58: Western Australian Planning Commission, \$54 653 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr G. Prattley, Chief Executive, Ministry for Planning.

Mr P.M. Melbin, Executive Director Corporate Management, Ministry for Planning.

Dr EDWARDS: Page 1055, "Major Initiatives for 2000-01", "Legislation. Completion of consideration of the review of the Swan Valley Planning Act." Minister, can you outline what has happened to date with the review of the Act and when you think that will be completed and whether from the feedback you have had about that particular Act - the feedback I have had, it has been fairly successful - whether you think there will be any major changes?

[10.50 am]

Mr KIERATH: There is a review occurring now. I have told the parties over the last two or three years I have had representations from groups wanting to change the Act and I think at the time I said, "Mine and Buckley's," or something to that effect, but the two sides were variously trying to open it up. I said I did not want to open up the arguments again. As far as I was concerned the balance had been settled. I cannot pre-empt a review, but I have to say that my personal view is I would not see any major change in the structure of the Swan Valley Planning Act. As minister, I am extremely satisfied with the progress of the Act. I personally cannot see any reason for change but I cannot exclude anything at this stage because we are actually having a review.

Mr PRATTLE: We have advertised the review in the paper and we are in the process of consultation with groups in the community out there at the moment.

Mr MacLEAN: Same page, "Regulatory Reforms", dot point 1, "Finalisation of review of the R Codes." The R Codes have always been the bane of Local Government's lives, where if you have an architect who can manage to make your back wall meander along you can almost do away with any setback requirements under the R Codes. Will this review overcome the problems that - the wiser architects have now found ways around the R Codes, and if it is not, what is the review?

Mr KIERATH: I think you are referring to averaging provisions.

Mr MacLEAN: Yes.

Mr KIERATH: There are actually good reasons for putting averaging provisions in there.

Mr MacLEAN: I am sure there are, but they are being abused.

Mr KIERATH: Yes. The R Codes have been in for a period of time. You say they are a bane. I also have to say to you they eliminate a lot of argument and a lot of ad hoc decision-making that used to occur because people did not understand all the things. There are positives and negatives in the R Codes. The R Codes give you a code or formula that is easy for people to understand and work with. There are some aspects of the R Codes though - I find as Minister for Appeals that sometimes in parts of the R Codes they are hard and fast and I think they need to be a bit more flexible, because as soon as you draw a boundary there is often a proposition that does not quite fit the criteria. It seems to fit the principles but does not necessarily fit the detail, and I do think in that situation you need a degree of flexibility, but in answer to your question, there will be a full review of the R Codes and anybody who wants to raise an issue associated with the R Codes can do so as a result of that review.

Mr MacLEAN: The problem I have is that when you bring in the flexibility that is required, you also allow the sharper ones to take advantage of any flexibility, such as the problems we have had with averaging, where some of the more well-known properties around the place have actually done away with any setback requirements by just having a wall that goes in and out a bit, and that is an abuse of the Code. Will there be something in the Code that will allow council or even yourselves to overturn an averaging proposal where it is obviously being taken to an extreme?

Mr KIERATH: I am not so sure that I would describe the averaging proposals though as an abuse. If there are some examples I would be interested in having a look at them. At the moment though it would be up to any party. If councils or individuals think that the averaging provisions have been abused, then it is possible at the review that people will put in a submission saying they think that it has given an unfair advantage and that will be part of that review.

Mr MacLEAN: I have to say that every time something has been taken back to Planning where there has been an absolute abuse of the averaging schemes, Planning have tended to reject the proposal, but the three months between council and it getting finally rejected has been a bit of a nightmare usually and if you do not have a council that is quite strong in their opinions or the opponent is even stronger than the council, quite often we get these three-storey monstrosities built in an area where it is totally out of character. All you have to do is drive up Marmion Avenue and see some of the decisions of the former City of Wanneroo. They are glaring. You have two-storey houses and then you have these three-storey monstrosities that sit there. If anyone wanted to build a commercial building that tall they would have been rejected, but because they are in an urban area and they have had a very wise architect, they have been able to get away with it.

Mr KIERATH: The R Codes do not generally relate to the heights of the buildings. The heights of the buildings are usually stipulated in the town planning scheme. I did say before that I wanted some flexibility. The areas of flexibility that I was referring to were not setbacks at all, they are actually in the areas of open space, private open space. Some of the requirements in the R Codes are so definitive, for argument's sake if it is 50 per cent and you are 51, then you cannot get approval. It is very tight and I think in those situations there does need to be a degree of flexibility if the quality of the design warrants it.

Ms MacTIERNAN: This question of the WA Planning Commission having continuing control over every subdivision. Page 1051, "State planning strategy sets out the overall" - "strategy clearly sets out the principles for future plans," or earlier than that, "Coordinating infrastructure and development to support urban and regional growth."

The CHAIRMAN: Member, I am comfortable with the item that you have highlighted.

Ms MacTIERNAN: The question is the WA Planning Commission continues to have control over all subdivisions and it really does seem to be perhaps quite excessive, particularly when you are talking about some very small lot subdivisions, say for example in an area where you might be getting a suburban block being divided into two in conformity with the provisions of the town planning scheme of the particular local authority. It is an issue that the councils continue to be annoyed at and it does seem to be a little heavy-handed to have a State Planning Authority having the direct authority over such minor subdivisions. I was wondering, is this being reviewed? It is also a very lengthy procedure.

[11.00 am]

Mr KIERATH: Yes, there is a review and I think the review has been finalised and handed to me. I think there is a review that has been ongoing. I understand the Planning Commission has actually put some of those recommendations into practice now, but the review that was to look at that has not actually come up to me in final form.

Mr PRATTLE: Yes. It has been under review for the last two years. We did engage consultants to look at a range of options, including full delegation of those responsibilities, and to consult with industry and Local Government and other parties. It was not, from our point of view, a very satisfactory piece of consultancy work.

Ms MacTIERNAN: Who did it?

Mr PRATTLE: I do not know that that is particularly relevant.

Ms MacTIERNAN: It is.

Mr PRATTLE: It was BSD Consulting, one of the consulting people. Essentially the outcomes in that recommended the status quo and it in fact indicated that a lot of Local Government did not want change and very few in the industry wanted change. Some Local Governments did. One of the things that emerged was that we did not really have a strong enough view of the actual cost to the commission of processing, so we undertook some very detailed analysis, of all the processes so we know exactly what the operational cost is, because without knowing the cost and how you pass that on or what the implications of the charge are, it is hard to arrive at a decision. That work has now been completed and we are engaging a further round of consultancy work to take that advice, the earlier advice, and engage in further development of options.

Ms MacTIERNAN: What is the consultancy firm?

Mr PRATTLE: I am not sure that we have actually appointed the consultants for that yet. MRI Bentley did the costing analysis, but I am not sure whether we have actually engaged the consultants for the final stage yet.

Ms MacTIERNAN: Why does the department not do that sort of work in-house?

Mr PRATTLE: I think I can answer that in relation to the question asked before. We are short of resources in terms of actually handling the statutory workload and it is very hard to get planning staff, not only for us, but for all State Governments and Local Government around Australia at the moment, and also it is better if it is seen to be managed by an independent party, in terms of consulting, who is not seen to have a vested interest in the outcome.

Mr KIERATH: That is more the point. I have been lobbied by people and they have said, "You do not want a department reviewing its own operations. If you are going to do that, we would prefer to have somebody outside come in and assess whether you should still be involved in the subdivision."

Ms MacTIERNAN: Then you get a report that you do not like and so you just commission a new one. That is not going to really achieve that much.

Mr KIERATH: Can I point out the reason we did not like the report? It was simply recommending the status quo.

Ms MacTIERNAN: That is fair enough.

Mr KIERATH: We did not think it had addressed the issues adequately.

Ms MacTIERNAN: That is right, so at the end of the day you make the decision. Could you provide by way of supplementary information the costs to the department of engaging professional consultants over the past financial year?

Mr KIERATH: The cost of consultants is provided continuously through the papers that are tabled in Parliament.

Ms MacTIERNAN: They are a long way behind and what we have found is that they do not, in fact, list many of the consultancies. I am wondering if, for this department, we could have a list of those.

Mr KIERATH: If you think it is not satisfactory, it is always up to you to put a question on notice.

Ms MacTIERNAN: Minister, at this Estimates procedure we are examining the budget and we need to make decisions about whether or not we have a cost effective allocation of resources. Are you in this context prepared to provide us by supplementary information the cost of consultancies that were undertaken by your department?

Mr KIERATH: I just need to satisfy myself that with the existing resources we have I could meet the time requirement and that is something I cannot give you off the top of my head. It is up to you. I am prepared to examine it, but I am not prepared to give a commitment that I will provide it in that time unless I see what sort of resources are required to actually get that information for you. It is much simpler if you actually took the time and trouble to put it on notice and I will give it to you as quickly as possible.

Ms MacTIERNAN: There is no difference at all. It just means you take three months to do it. We have to vote on the estimates in two weeks' time and that is the reason. This time frame is put there so that we will have that information so we can properly debate it. This is actually what the estimates process is all about. Quite frankly, you cannot tell me that your department does not have an accounting system that would not enable it to bring those figures up within a two-week period.

Mr KIERATH: I have already given my answer.

The CHAIRMAN: I think we must move on, member for Armadale, so if you seek that information, it will have to be by way of a question on notice.

Mr KIERATH: Mr Chairman, I did actually say I would have a look at it to see if it did not take a lot of resources, that I might provide it by way of supplementary, but I was not giving a commitment to do it. I am used to seeing her questions and her questions often require huge amounts of resources of people to go through and get the information out when there is a normal and proper reporting requirement and it is that sort of waste of resources sometimes that causes people to be distracted from their important duties that are in front of them. I did not actually reject it. I said I would just need to see what sort of resources were required to extract that information.

The CHAIRMAN: Minister, my interpretation of Standing Orders indicates that I cannot ask the people around here to note that you have given a definitive answer that you will supply supplementary information, but having said that I recognise that you said you would look into it and clearly if the member for Armadale does not receive a reply from you by 12 June, then she will have to seek that information by way of notice.

Mr KIERATH: Mr Chairman, if I could add, I think my record in terms of providing answers to Parliamentary questions is probably one of the best in the House and I actually give the departments a hard time if they take time in answering them, so I do not think an accusation of being tardy in answering questions could ever be levelled at me, but I am used to this member asking very difficult questions that require a lot of information and it galls me a little bit, if the member is not prepared to take the time and trouble to put in writing, why I then should commit lots of resources and officers to doing deep investigations.

Mr MacLEAN: Minister, page 1051, dot point 4 -

Operational policies of the Western Australian Planning Commission are designed to ensure currency with emerging urban design and sustainability agendas and to achieve outcome focused results, rather than simply complying with standards.

The question I have is about major metropolitan roads which are developer driven and supported by council. It appears that changes to the headworks charges have affected the amount of money going to the developers' contribution towards the roadways and this is affecting the amount of roadways that can be constructed. These are Local Government roads and quite often they are major connecting roads. That means we have little pockets of development which on their own are okay, but without the connecting road network tend to become isolated and quite difficult to deal with at times. What is the Planning Commission doing with these headworks charges as the local authorities are now saying there is no money to connect these roads?

Mr KIERATH: We do not collect headwork charges. Are you asking about road contributions when developers seek approval to develop areas? Is that what you are referring to?

Mr MacLEAN: Yes. It has been put to me that councils will put up a headworks charge or a contribution rate towards the local roads. If the developers do not like it, they will appeal and quite often they get a discount and it does not seem to bear any responsibility to the actual cost of what the developers are required to supply, and I have heard the other story as well.

Mr KIERATH: Yes. It depends from which side you are looking at it. It is not headworks charges and we should not use that term. There is a developer contribution, per lot contribution, and often on appeal to me I am left in the position of trying to arbitrate on the counterclaims. I have to say to you that the local authorities sometimes try to add in all sorts of other costs that they should not be adding in to the long-established and developed formulas.

If they want to change that, they cannot do it by way of policy. They have to do it by doing an amendment to their scheme if they want to use a different basis for determining that and that has to run the gauntlet of public submissions and basically it has to stand the test of scrutiny. What I find I am called to adjudicate on is where the local authority has done it by a policy, has not done it by way of amendment to their scheme and really I am left to uphold what the scheme currently says and the methods of determining those that have been long established, so there are always two sides to the story.

[11.10 am]

Mr MacLEAN: It depends which side you are talking to whether there are two sides.

Mr KIERATH: But we ask the parties when they are making these claims to substantiate their positions and sometimes you find there is absolutely no substantiation at all, just some broad general statement. Obviously then I generally do not take that into account.

Dr EDWARDS: My question relates to page 1055, "Major Initiatives for 2000-01, Statutory Work Program" and I ask when does the minister anticipate the MRS amendment for Bayswater dealing with the Maylands Police Academy will be released for public comment and what has been the delay? The draft amendment went to the Perth Regional Planning Committee in November. Nine reports have been commissioned about the site. Given that other draft amendments that went to that committee are now well and truly out for public comment, I wondered when this one will be.

Mr PRATTLE: Not until the commission is satisfied the issues that were raised in November have been adequately addressed through the work. It has not gone back to the commission at this stage.

The CHAIRMAN: Minister, if I can ask a question following on from the member for Wanneroo, there is a council in my area that is now looking more seriously at the question of charging owners of land for betterment. I am maybe not using the right terms but if there is going to be a significant profit result from a development, then council would like to take part of that profit. It is a fairly basic issue when it comes to your portfolios. Do you have any position on that?

Mr KIERATH: There is strong opposition. In our planning legislation we generally do not, although I think there are one or two areas where it is possible, but generally we do not allow betterment as a general rule. The former minister and myself and I think the planning professionals feel this is an attempt by some local authorities to put a tax in some other form and we have been strongly opposed to that.

Mr TRENORDEN: And then it can penalise rural councils.

Mr KIERATH: We have always taken a fairly strong view. If the council is determined to do it, there are ways they could attempt to do it. There are what I call the proper ways and the not so proper ways of doing it. By way of policy is, in my judgment, an improper way.

The CHAIRMAN: Is it fair to say that if a council imposed a betterment charge or tax and that charge was then appealed to you as the minister, there would be some sympathy?

Mr KIERATH: I could not give you an undertaking of what it would do on appeal but I can say there is a strong view, by not only the minister but the Planning Commission and I would say the Ministry for Planning and most planning professionals, in opposition to the imposition of those betterment arrangements when they are not done legislatively.

Ms MacTIERNAN: Perhaps it comes under page 1059, the land use planning and land use implementation. I want to talk about the outline development plans and the process used for giving final approval for these. These are approved by the WA Planning Commission. Perhaps if we could discuss this as a matter of policy first. An outline development plan is approved by local authority and then forwarded to the WA Planning Commission. Is that correct?

Mr PRATTLE: Yes.

Ms MacTIERNAN: In a case where the outline development plan would, as you would expect, specify a number of conditions, what process does the WA Planning Commission engage in in determining whether or not it is going to vary those conditions or remove them?

Mr PRATTLE: It would assess them against policies that exist where they exist in relation to those types of conditions and against the legislative capacity to impose them, principally, and whether they considered it was appropriate planning practice.

Ms MacTIERNAN: What sort of dialogue do you have with local authorities in that process because obviously if you were determining whether a particular set of conditions that have been imposed by council fit within a policy framework, do you have dialogue with council about that?

Mr PRATTLE: Yes, there is almost always extensive dialogue at officer level before these issues are reported to the commission. If there are concerns, the process would normally be to sit down and try and work those concerns through with the local council, try and understand the issues. In some cases there is formal dialogue between commissioners or representatives of the commission and councils themselves, but more normally handled at officer level.

Ms MacTIERNAN: Can I put it to you that it is the view of the Shire of Gingin that in fact that dialogue did not take place and that the outline development plan, the 15 conditions that they put on the outline development plan for the Moore River subdivision, was changed significantly without any dialogue with the council but with direct negotiation with the developers?

Mr PRATTLE: I would have to check on that. I do not specifically know what took place in that case.

Ms MacTIERNAN: Could we get that by way of supplementary notice, what interaction took place with the council in relation to those changes before those changes were effected?

Mr KIERATH: Yes, so noted.

Ms MacTIERNAN: The Shire believes they are now in a situation of some complexity where a specific DA will come before them and their question is do they assess that by virtue of the outline development plan that they approved or do they assess it by the outline development plan approved by the - - -

Mr KIERATH: That is pretty cute. The outline development plan that has been approved is the one they have to abide by and in this process there are two parts of the process. There is the local authority process and there is the WA Planning Commission process and in the end the one that is produced is a combination of the two and that is the one both parties then have to use.

Ms MacTIERNAN: The local authority does not have any right of appeal, does it, against the conditions imposed by the Planning Commission?

Mr KIERATH: I think it does.

Mr PRATTLE: I thought it did, but I would have to check on that.

Ms MacTIERNAN: At what forum?

Mr KIERATH: I often get decisions of the commission. My understanding is that decisions of the commission are appealable to me. In fact I think a substantial chunk, probably about 40 per cent, of the decisions I adjudicate on are actually commission decisions.

Ms MacTIERNAN: Are they subdivision decisions rather than decisions -

Mr KIERATH: A whole range of things. In many cases, invariably with people who have imposed conditions, they are often appealed to me. Even when I make an in-principle decision on a development I refer it back to the local authority to impose conditions and always with a clause that if the parties are unhappy with those conditions, they can come back to me for arbitration.

Ms MacTIERNAN: It is not possible to appeal such things to the Town Planning Appeals Tribunal?

Mr KIERATH: I would imagine so. I think the grounds of appeal are actually -

Mr PRATTLE: Certainly I think the landowner can. I would have to check on the situation in relation to the council.

Mr KIERATH: The landowner could.

Ms MacTIERNAN: Yes, but this is a situation where the council obviously wants to appeal. I have attended a number of planning forums where there is a great deal of dissatisfaction at the activities of the WA Planning Commission and in particular what is considered by Local Government to be an attitude by the Planning Commission that the input of the councils is not taken seriously and that very often major strategies developed by the councils for their long-term development are disregarded by the WA Planning Commission. Interestingly, this seems to come through both from the planning officers as well as from the elected representatives. It is quite a strong feeling or view that is expressed at many planning forums.

Mr TRENORDEN: It is a fairly new phenomenon which has been going about a hundred years.

Ms MacTIERNAN: Yes. Given that they are an important player in the planning area, have you considered ways in which you could improve the interaction between the two, and do you consider this should perhaps be an appropriate performance indicator?

[11.20 am]

Mr KIERATH: I will leave you to think about performance indicators. I would actually reject the view that you put forward. With the local authorities, obviously they have their views and they put forward their particular positions, but the Planning Commission has a much wider Statewide view as well. You get councils sometimes just saying something without being prepared to back it up. You often get councils which then take a position - and I keep repeating this - by way of policy, rather than taking a position by way of the normal processes which is the council, public submissions and then going on to the commission. In those circumstances you have to ask yourself the question: if their view is valid, why do they not run it through the normal processes? Although it may well be that they say it is their view, I would reject that.

Ms MacTIERNAN: You would reject it as their view or you would reject that it is a valid view?

Mr KIERATH: I reject that it is valid. I do not reject that it is their view. I accept that it is their view. I just do not think it has any validity. The issue of people understanding the planning process is a difficult one. We often find that people get elected on councils and we often find that some planning officers do not understand the planning process. I had somebody in my office just recently, a planning officer from a Local Government, who did not understand the process through the Planning Commission. It is pretty hard then for them to turn around and level criticism when they have not followed the proper procedures themselves.

Ms MacTIERNAN: I do understand that there are levels of sophistication amongst elected representatives. The people I am talking about are those who are some of the most senior people in Local Government in this State, those who have special responsibility for planning matters within the LGA and WAMA. I do not think they are people about whom one can make that accusation - that it is their lack of understanding of planning issues.

Mr KIERATH: It is interesting because WAMA have put out a terrific course to introduce people to planning issues to give them an understanding of it. My understanding is that they say it has been widely received. It is training for people in terms of the planning process.

Ms MacTIERNAN: I do not see how that is in any way contradictory to what I was saying.

Mr KIERATH: I am saying that a lot of people in the system do not understand the planning process. That is an effort that WAMA -

Ms MacTIERNAN: I agree with that, but what I am saying is that the critique that is coming of the WA Planning Commission is not coming from the sort of people who would need to benefit from the planning course. The critique is coming from those people who have been in the game a long time, who have occupied very senior positions with Local Government and have special portfolio responsibilities with the LGA and WAMA.

Mr KIERATH: They have not raised it with me. I meet with WAMA regularly and they certainly have not raised those issues with me. If they do, I am certainly prepared to look at them. We have actually got a Consolidation Bill. There has been wide consultation. A position paper was put out. We have had public submissions on that, and quite a few local authorities and WAMA have actually responded to that. That would be the appropriate vehicle for making any changes.

I would say to you that if you have people feeling like that, ask them to come forward and give me the situations and the details and I will try to follow it through. Now would be a particularly good time because we are in the drafting stage of a Planning Consolidation Bill. We are trying to consolidate all the Planning Acts into one in plain English so it makes it a lot easier for people to understand the process. With the different Acts now, unless you are a lawyer it is pretty difficult sometimes to follow the interaction through. At the same time, we are fine-tuning some of the planning processes.

We have put out a position paper. It has been out for public comment. WAMA have responded. The LGA have responded and other local authorities have responded. If they have not raised it in that, then I do not think they have perhaps given it the importance it deserves.

Mr PRATTLE: Can I refer you to our annual reports where we do report on levels of satisfaction? The commission does survey its client base, including Local Government, every year. In the last annual report, for example, satisfaction with advice on approval of subdivision applications in 1998-99 was 79 per cent. The target for 1999-2000 was 77 per cent which is, from my experience in a number of jurisdictions, a pretty high level of satisfaction.

I can certainly say from sitting on a number of the commission's committees that make those sorts of decisions that there is very serious consideration of Local Government's views but there is also a very wide diversity in the quality of particularly some strategies that are prepared in what comes forward. I could name half a dozen high profile planning individuals in this city who are critics, some of whom also sit on our Legislation Review Committees. Planning is a field where there are prima donnas, if I can put it that way, not just in this State but everywhere, and people do have particular views.

Ms MacTIERNAN: It is not only planning.

Mr PRATTLE: Not only planning, no.

Ms MacTIERNAN: And it is not just at the officer level too.

Mr PRATTLE: It is a profession where people have particular views. My view is that we have a system that, for better or for worse, is a centralised system. It does arguably produce the best results in Australia in terms of timeliness and in terms of the quality of the outcomes. If you look at the awards that are won nationally, more than half of them go to Western Australia, so by a whole range of performance measures you can arguably say our system does produce very good outcomes.

Mr KIERATH: Local Government is heavily represented on the various statutory Planning Committees. I think in most cases it is in the majority of representation on them, or at least pretty close to it.

Mr MacLEAN: Minister, I think 77 per cent is a good figure, given that less than half get what they want.

Mr KIERATH: We would not mind a 77 per cent rating.

Mr MacLEAN: Following on from what the member for Armadale said, I was under the impression that Planning had quite

a good relationship inter-agency. Could you outline the extent of inter-agency cooperation between Planning and Local Government and the other bodies that you come into regular contact with - the EPA, the DEP and those bodies?

Mr KIERATH: I think in the case of the DEP, their chief executive officer is on the commission. With the Department of Transport, their chief executive officer is on the commission. Local Government have three representatives on the commission. Main Roads is represented on the commission. Water Resources is represented on the commission. The legislation requires in most cases for them to be the CEOs. They need my approval for them to delegate, for someone else to attend.

From that point of view, that ensures a lot of cooperation, although it also gives some of those agencies two bites at the cherry. They can do their formal agency one and they can take the matters up through the CEO at the Planning Commission level. I occasionally see examples of that. When these decisions come in, they are referred to all the Government agencies to put in submissions and I think widely they are well supported. I think the only one that does not support us really is Agriculture. I think it is the only one that does not participate in giving us advice in terms of some of our subdivisions, but we have a policy which the chairman mentioned which is to try and resolve some of that and bring those issues to the fore of that particular agency.

[11.30 pm]

Ms MacTIERNAN: In relation to the metropolitan region scheme amendments that you are currently working on - I refer to 1055 of the budget - I understand that you are looking at a major amendment in relation to Lake Carine and the construction of the Reid Highway. Can you tell us where that is at the moment?

Mr PRATTLE: I am somewhat confused about the question. The reservation for the Reid Highway?

Ms MacTIERNAN: A reservation for Reid Highway requires an MRS amendment, as I understand it.

Mr PRATTLE: The Reid Highway reservation has been in the metropolitan region scheme for 20 years.

Ms MacTIERNAN: Yes. There is additional land that is apparently required.

Mr KIERATH: Sometimes you get the main reservations in the scheme and there might be some minor changes required to do some of the intersection work and things like that.

Ms MacTIERNAN: I think it is to install sumps here by the lake.

Mr PRATTLE: I am not aware of the detail. To the best of my knowledge, that amendment has not come to the Perth Regional Planning Committee or the commission, but I can check that. It is probably being worked on. It may be being discussed at the district planning committees.

Ms MacTIERNAN: To your knowledge, it has not come -

Mr PRATTLE: From my memory, it has not come to the commission. I will check on that because there are a fair few amendments running and I might have missed it.

Mr KIERATH: The amendments run. They are often omnibus amendments and have up to 30 or 40 amendments in them.

Mr PRATTLE: I certainly cannot recall it.

Mr KIERATH: We can provide that by way of a supplementary.

Ms MacTIERNAN: Thank you. I understood that was in fact going to be the same omnibus that included the MRS dealing with the Scarborough Senior High School site.

Mr KIERATH: We will check on that for you.

Ms MacTIERNAN: With the Scarborough Senior High School site, can you tell us where we are with that particular MRS?

Mr KIERATH: The MRS is actually under consideration now. It is going through the due process.

Ms MacTIERNAN: Under consideration by whom? Where is it?

Mr KIERATH: It is in the process and it is under consideration at the moment.

Ms MacTIERNAN: Yes, sorry, by whom is it under consideration?

Mr KIERATH: It is in the process and it is under consideration at the moment.

Dr EDWARDS: Is that for public comment?

The CHAIRMAN: Minister, I think it is out for public comment in the most recent -

Mr KIERATH: I will repeat my answer. It is currently in the due process and it is going through that process at the moment.

Ms MacTIERNAN: We do understand that, Minister, but we would be very keen to know who it is that is giving it consideration. If something is under consideration, there must be a person or a body that is applying that consideration. Can you tell us who the person or body is that is applying that consideration?

Mr KIERATH: It is currently, as I am aware - and I checked up on it as recently as last week - going through due process.

Ms MacTIERNAN: You will not tell us -

Mr KIERATH: There is a process to be evolved that has not concluded, and it is in that due process.

Ms MacTIERNAN: We do appreciate that, Minister, but we would like to know where in the due process, where in the whole scheme of the MRS amendment, is this particular amendment at this stage?

Mr KIERATH: It has been out for public advertising. Advertising is concluded and after that it is in the process between there and the time that, if or whatever, it comes to Parliament. It is in due process.

Dr EDWARDS: Have they had hearings?

Mr KIERATH: It has been through. The people submission period is concluded.

Dr EDWARDS: Right; so they have done hearings as well. That is further advanced down the track.

Ms MacTIERNAN: Minister, have the reports from the Ministry been completed? Minister, we do not need to beat around the bush. What we are asking is: is it now outside the domain of the Government agencies and the bureaucracy into the domain of the Government or is it still in the bureaucratic part of the process?

Mr KIERATH: It is in the process between where public submissions have concluded and before its introduction into Parliament. It is in that part of the process. That is where it is right now.

Ms MacTIERNAN: That is very clear, but we are wondering if there is any particular reason why you cannot be just a little bit more specific. That process that you have described has two quite distinct parts; one where reports are prepared and recommendations made by the bureaucracy and then when those reports are considered by Government. We would like to know which side of that process this one is in.

Mr KIERATH: It is in the bit of the process that is between the conclusion of public submissions and the introduction into Parliament. That is the part of the process it is in at the moment.

Mr RIPPER: He is sitting on it and he will not admit it.

The CHAIRMAN: Member for Armadale, you have tried very hard to get a specific answer from the minister. It is clear that he does not wish to respond in any more detail, so can I ask you to move on?

Ms MacTIERNAN: I do appreciate your forbearance.

Mr KIERATH: With all due respect, Mr Chairman, I did actually answer the question.

Ms MacTIERNAN: I appreciate your forbearance, Mr Chairman, and I know that you understood I was trying to determine whether or not this was just the lack of capacity of the minister to understand or sheer recalcitrance that was causing the answers to be so opaque, but we have established now that it is sheer recalcitrance.

The CHAIRMAN: Member, if the minister does not wish to answer with any more detail, that is his choice -

Ms MacTIERNAN: We will just call him Mr Mahathir.

The CHAIRMAN: - and I, therefore, have to ask you if you have any further questions on this general subject or can I pass on to the next member?

Ms MacTIERNAN: Next member, yes.

Mr TRENORDEN: On page 1050 and page 1057 - and I will go to 1050 first - it talks about accommodation of growth in regional centres in the last sentence on the page and also on the last dot point on page 57 it talks about land country development programs in Northam. Are they related and what is the land development program in Northam?

Mr PRATTLE: The country land development programs are actually something that are quite unique to Western Australia - no other State runs a program like it - where we monitor what is happening in the major regional centres, monitor the uptake of land, the availability of land both within the townships and rural residential land where it is appropriate in the surrounding areas, examine that in detail, examine the population projections, what is happening in the areas and prepare a report which is released for consultation on what we think the future requirements will be and the timing and phasing of that. Northam is one of the areas that is currently being worked on.

Mr TRENORDEN: Minister, could I ask a few questions relating to that? I really appreciate that. I, in fact, know in general what that is about, but it is an important part for me because, as I already said, there are a number of things in Northam that are going to make a difference in the short term. I think there is going to be even more planned by the local authorities and others than they anticipate in the next couple of years. What sort of resource is that? Is it a consultancy? Is it an internal arrangement? It does not matter whether it is a consultancy or internal. What sort of consultations or what sort of process do you go through to establish your requirement?

Mr PRATTLE: It is handled internally. We have a specific unit within the ministry that deals with the population projections and the metropolitan and country land development programs, people with expertise. They consult widely with the development industry, landowners and with the service providers in arriving at a draft report. That is then reported through. We dealt with one at the last meeting of the South-West Regional Planning Committee for Dunsborough-Busselton. That got clearance through that committee and will now proceed for approval by the minister to release for public consultation. It will go out for comment and, once those comments are assessed and reviewed, it will then be finalised.

Mr TRENORDEN: Would it be normal, Minister, for the local member to be involved in those processes?

Mr KIERATH: I think for some of the release of the land development programs. The one at Port Hedland I think I did with the local member who was a Labor member. Sorry, he is not a Labor member any more because you dumped him, Larry Graham.

Ms MacTIERNAN: He is still a Labor man.

Mr KIERATH: He is still a Labor man. He was then a Labor member anyway, if he is not now, and certainly I did that. That answers the question, I think - yes, it can be arranged.

Mr TRENORDEN: Can I go back to page 1050 then? What is meant by this "accommodation of growth in regional centres"? Would Northam be considered a regional centre?

Mr PRATTLE: Certainly, yes.

Mr TRENORDEN: What does that point relate to?

Mr PRATTLE: The State planning strategy at the broadest level points to the Government's priorities in development in the different regions. There is a policy position, I suppose, of trying to encourage growth and development in the regional centres. In the regional structure plans and the other regional planning studies and documentations and region schemes where they have been prepared, that is a fundamental issue that is addressed in terms of what are the opportunities, what are the things we can facilitate to make that kind of growth happen.

Mr KIERATH: That point is more a broad planning issue. The land development program is more the specifics and the detail.

[11.40 am]

Mr TRENORDEN: I understand that. There would not be a direct resource into that; there would be a matter of process for you? Is there a particular officer of the commission looking at those issues or is it just the policy?

Mr PRATTLE: Things like the Goldfields-Esperance regional strategy, we have a team of people working on that in consultation with other agencies, so we have a number of teams of people working on these issues. Sometimes they are the same people, sometimes they are different people, so it is not one officer but we have a group of people who are dedicated to working on those regional strategic issues.

Ms MacTIERNAN: The master plan for Wright Lake mentioned on 1061, how long has that been under way? Can you tell me? You have "Progress" here. Is it anticipated that you will complete it this year?

Mr MELBIN: That study is really in the hands of the local authority. We support them and from the commission's point of view we are really relying on them to do it.

Ms MacTIERNAN: You have it down as one of your major initiatives for this year.

Mr KIERATH: Down to monitoring the progression of the master plan?

Ms MacTIERNAN: Yes. It has, "Progress of the master plans is a major initiative," but you are saying you are not actually doing anything on it.

Mr PRATTLE: We own the land and we are working with the Local Government but it is being project-managed by the local authority.

Mr KIERATH: I do not think you really understand the relationship.

Ms MacTIERNAN: It is just a bit odd to put something down as a major initiative and then say you do not know anything about it because it is happening from the Local Government.

Mr KIERATH: He did not say he did not know anything about it. He said the progression of the plan was in the hands of the local authority. This is another case of you putting ridiculous words into his mouth. He did not say that at all. What often happens though with regional parks, and I know from first-hand experience with the Canning River Regional Park, often the lands and the issues, now that we have established them and handed them over to CALM, there is the CALM ownership. The local authorities actually own a lot of land and have management control of those and in the end you can only deal with them in a partnership arrangement. What you try to do is try to get the parties working together, but obviously what the officer said was the area for Wright Lake was actually in the control of the local authority and that dot point only refers to monitoring the progression of the master plan in relation to Wright Lake.

Ms MacTIERNAN: Sorry, I must have the wrong dot point.

Mr KIERATH: You told me page 1061.

Ms MacTIERNAN: Yes. Mine just says "progress". Sorry, I am looking down -

Mr PRATTLE: There is the one on the bottom of the page too, Minister.

Ms MacTIERNAN: That was last year's. I am looking at a major initiative for this year. If you look at the last entry, Minister. It is not monitoring.

Mr KIERATH: There are two headings of "Park Development", you see.

Ms MacTIERNAN: Yes, that was last year's.

Mr KIERATH: Yes, I know, but under "Park Development" it has those two issues and we are saying we will try and progress it but the officer has given you an indication that the rate of progress is not in the hands of the commission so much as in the hands of the local authority.

Ms MacTIERNAN: Because you have been monitoring it, obviously, in the last year, can you give us some idea of where it is up to at the moment?

Mr MELBIN: No. It is the commission's land. We have provided moneys to the local authority to help with the various studies for them to undertake various works. We would expect them to come back to the commission with a master plan for how they would like it done. We would anticipate, because it is in these documents, they would come back in the next financial year. That is what the commission would anticipate. If I can pick up the minister's point, I do not know what the local authority will do, but we would anticipate them coming back to the commission in this coming financial year with a master plan to say what they believe would be appropriate for the development of Wright Lake, in which case the commission would then consider its options.

Ms MacTIERNAN: It says here you have been monitoring the progress. What does that monitoring consist of then?

Mr KIERATH: I think he has already answered it. The question has been answered.

Ms MacTIERNAN: Unbelievable. Going back to this issue about services and contracts, I was wondering if perhaps that would help you, Minister, make your decision about whether or not you were prepared to provide us with information on the number of contracts, consultancies, that have been released, because obviously there is \$2.8m worth of services and contracts generally.

The CHAIRMAN: You are referring to a section in the Planning Division, are you?

Ms MacTIERNAN: Yes, I am. If I am to be perfectly frank and honest, I am.

The CHAIRMAN: We are unable to go back because we have voted for that.

Mr KIERATH: While you were out of the room I think that might have been.

Ms MacTIERNAN: Yes.

Mr TRENORDEN: Just a very quick question on page 1059. Minister, you are talking about the digital capture of all registered plans. Hopefully that is heading off to the online scope. Can you just tell me what the plans are and how that will appear to the public and how you see the public and other agencies being able to use it?

Mr PRATTLE: The commission obviously has extensive record of subdivision plans and planning schemes and it is a program to digitally capture all of the database we have.

Mr TRENORDEN: To put it online?

Mr PRATTLE: Yes, and we are engaged and looking at some initiatives to provide planning schemes commercially online.

Mr TRENORDEN: Have you looked at who your clientele might be, who the users might be?

Mr PRATTLE: Yes, we have. There is currently an exercise that is examining all those issues and the feasibility of some of it. One of the advantages of the centralised subdivision system we have is that we have a better database than any other State and a better GIS system than any other State because none of them have the capacity to capture the information on a day-to-day basis.

Mr TRENORDEN: I am not arguing. I think you have got a good system. I just think it is imperative it does go online.

Mr PRATTLE: Already when someone lodges a subdivision, they are given an access code. They can come into the ministry's computer and track where their subdivision is through the system, who is handling it. No other State actually has that capacity at the moment so we are way ahead of the game in terms of that and we are working very actively to put as much of our database and services as we can online.

Ms MacTIERNAN: Page 1054, regulatory, and 1055 which deals with the statutory work program and regulatory reforms. There were recently regulations introduced that removed from councils the dispensation that had previously been given them in relation to the need to get consent from the minister before advertising a proposed amendment to their town planning scheme. I understand that last set of regulations has been rejected by the Upper House. What is going to happen now? What will be the situation?

Mr KIERATH: I am considering my options. I just want to correct you on one thing. It depends how far back in history you go. The situation has been for the last several decades that councils did not have that authority, that they needed the Planning Commission's approval to advertise.

Ms MacTIERNAN: Absolutely.

Mr KIERATH: WAMA actually approached me and said, "We would like to do some things differently." I think at the time the commission was not keen to delegate their authority and I feel a little bit particularly distressed by the actions of the local authorities, because at that particular time the commission was not keen on delegating it.

Ms MacTIERNAN: Was there a reason for that?

[11.50 am]

Mr KIERATH: Yes, I am just coming to that, and the reason being people would advertise amendments that were just fanciful, that had no basis in fact. Earlier on Mr Prattley indicated to you, in terms of Landsdale, that when we advertise there need to be some reasonable expectation that if it meets the requirements it can go on. I did indicate the view to WAMA that there were concerns that some authorities would use it for not so much party political purposes, but blatantly political purposes, things that they know would have no chance of getting through the system. It was as a result of those undertakings which were given to me personally as the minister by WAMA -

Ms MacTIERNAN: What undertakings?

Mr KIERATH: That if they were given that authority they would not misuse it and they would not use it for those political purposes and then lo and behold the first case we got was Chapman Valley over the nuclear issue which we got Crown Law

advice on was clearly ultra vires and beyond the scope of the Act and yet they continued to go down that path. Up until I allowed the new regulations in, which I think were about 18 months or two years ago, there had been no change. I did try to delegate that authority. Obviously they did not disallow those regulations, but they disallowed when I tried to return it back to the previous position. Where we go from here, WAMA are talking to us at the moment. I have several options and I have not made the final decision about what option I will pursue. It was always up to me to pursue the same old -

Ms MacTIERNAN: Would you share that with us?

Mr KIERATH: - Labor Party option, I think, that Yvonne Henderson and Bob Pearce used, where they just simply re-gazetted the regulations again. That is one option, but WAMA have actually been talking to me and said they have got some other suggestions they would like to put forward to the minister.

Ms MacTIERNAN: What do you mean "re-gazetted"? You just keep gazetting the regulations?

Mr KIERATH: I am just considering those options at the moment. I have made no decision. I have not reacted publicly in any way. Hopefully I will take a very careful and considered position in the future.

Ms MacTIERNAN: Minister, in relation to the action by the Shire of Chapman Valley which you found to be irresponsible, you are aware, are you not, that they actually had an opinion I think from Minter Ellison, perhaps one of the State's most pre-eminent private planning legal advisers, that said this was not in fact ultra vires, the planning scheme. The issue here is not whether Crown Law is right or whether Minter Ellison is right. The issue here is that the Shire of Chapman Valley did not behave in an irresponsible, fanciful fashion in relying on legal advice from a very experienced law firm?

Mr KIERATH: I believe the shire's action was in complete contravention of the spirit of the agreement between WAMA and the minister.

Ms MacTIERNAN: Because it was a fanciful decision?

Mr KIERATH: I said I believe the action of the shire was in complete contravention of the spirit of the agreement between WAMA and the minister.

Ms MacTIERNAN: I did actually hear you say that, Minister. What I am trying to do is to understand the reasons why you have come to that conclusion. Is it because you felt this was a decision that was a fanciful one, to use the phrase you used earlier on?

Mr KIERATH: I am not going to take words that you put in my mouth.

Ms MacTIERNAN: I am not. I am sorry, I am only trying to be helpful here.

Mr KIERATH: I have answered your question.

Ms MacTIERNAN: You are not prepared to provide a reason why you came to that conclusion?

Mr KIERATH: No, I said in my view -

Ms MacTIERNAN: That is your conclusion, yes.

Mr KIERATH: In my view their action was in complete contravention of the spirit of the agreement between WAMA and the minister.

Ms MacTIERNAN: That is the conclusion you have drawn. Fine. What I am asking you, are you prepared to provide us with basically the reason for the decision that you came to in that regard?

Mr KIERATH: We are preparing a position paper in relation to this issue. I am not sure where it is at. I know it has been prepared, but there is a position paper on this issue that will be released in the near future which actually outlines the crown's position. I would argue with you that any reading of the legislation, any reasonable lawyer would actually support the view that Crown Law supported.

Ms MacTIERNAN: Minister, did you actually read the advice that had been give to the shire by Minter Ellison?

Mr KIERATH: In terms of negotiations, at one stage the advice was made available to Crown Law and I sought a further opinion from Crown Law to have a look at that advice and see whether they would change their opinion in any way. Their recommendation to us was as strong as ever.

Ms MacTIERNAN: No, it is not a question of who is right or wrong. I think you are missing the point. I do not have a firm view about which one was right or wrong.

Mr TRENORDEN: You are thinking like you feel obliged, do you not?

Ms MacTIERNAN: Minister, you do understand, of course, in light of the fact that the Shire of Chapman Valley had a credible legal opinion - whether or not it is ultimately the right one, it is certainly at least credible - it is generally the view of Local Government and even people who are on the blue team that your actions in gazetting the removal of that authority was in fact a fit of pique against the anti-nuclear stance that was being taken by the Shire of Chapman Valley.

Mr KIERATH: No, that is quite wrong.

The CHAIRMAN: Minister, you do not need to answer that, because I am not sure that it relates in any way to the budget. Member for Armadale, can I ask that we get back to the budget papers, because there are a number of people waiting to ask questions about heritage issues.

Mr KIERATH: I understand that, but I think there are some things that I do need to put on the record, Mr Chairman. The repeal of the regulations was not a fit of pique at all, but as I said to you, in my view, and I will repeat it again, the actions of the shire were a complete contravention of the spirit of the agreement between WAMA and the minister. The power had been delegated to them on that particular basis, so if they breached that, then that power was not to be delegated any further. That is the reason I took it, not in a fit of pique, because they dishonoured their obligation.

Ms MacTIERNAN: Thank you. The Town Planning Amendment Scheme, page 1055, looking at your statutory work program and what you have said, could you tell us what your view, Minister, is as to whether or not there should be some third party appeal rights within this new legislation that you are bringing forward in new planning legislation, the rewrite of the Planning Act? Are you considering any third party appeals?

Mr KIERATH: I could not see any item on here that asks for the minister's views, but I can tell you that in relation to the review of the legislation there is not in the consolidated bill any third party appeal rights, because the principles of consolidating the Act were that we would not make any major structural changes to the planning legislation, we would try and consolidate it, and we would do some finetuning. I think third party appeal rights would go far beyond the definition of finetuning.

Ms MacTIERNAN: Do you think, Minister, that this is something that perhaps should be considered, if not in that piece of legislation, in some other piece of legislation?

Mr KIERATH: It is not currently being considered as part of our legislative program.

Mr MacLEAN: Minister, on that point, if the local authority is opposed to something that is passed by appeal, or agreed to by appeal, a third party can tack on their appeal to the Local Government authority, can they not? It is the Local Government authority and the ratepayers. Is not that the case?

Mr KIERATH: I am not sure of the question you have asked.

Ms MacTIERNAN: I am not sure that is true, is it?

Mr MacLEAN: Yes. The question from the member for Armadale was whether there is a third party appeal process under consideration, and my question is if the local authority opposes -

Ms MacTIERNAN: If their decision is overturned.

Mr MacLEAN: Yes. If the local authority is appealing your decision it is a direct party and third party groups such as ratepayers or local residents can tie their appeal to the local authority's appeal. The problem that comes in with third party appeals is when it is supported by the local authority and everyone else and you have got one person living next door who does not want it.

Mr KIERATH: If you take a landowner who puts up a proposition and the authority supports it but the Planning Commission rejects it and the landowner then appeals to the minister, there are no third party appeal rights. Generally in our legislation, and I say "generally" because there are perhaps one or two exceptions, there are no third party appeal rights in the legislation itself. What some innovative people have done in the Busselton scheme - although I think most are coming out now in the reviews of their schemes, but some of the schemes put a de facto third party appeal right into the scheme itself. There was one I think where there were third party appeal rights in relation to a proposed caravan park at Busselton. That scheme, in the scheme itself, did have a form of third party appeal rights but in the appeal legislation, the general legislation affecting planning, there are generally no third party appeal rights.

[12 noon]

Division 59: Heritage Council of Western Australia, \$3 071 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr I. Baxter, Director, Heritage Council.

Mr E. Munro, Manager Corporate Services, Heritage Council.

Dr EDWARDS: On page 713 under "Major Policy Decisions: Managing the Cossack Town Site" there is an appropriation of \$81 000. Can you explain to us what has happened with the Cossack town site, the history of its management previously and then the need for the decision to change the management?

Mr KIERATH: Cossack has been an interesting story. It was actually managed or controlled by the Heritage Council. An agreement had been reached with the Local Government which I think is the Shire of Roebourne. Then over the time it was there, the conditions of that agreement were not fulfilled. When I went up there a couple of times, they claimed it was money. Then I would come back and talk to the Heritage Council and find that in the agreement there were quantities of money that had been assigned for certain activities that had not been claimed.

Some of the councillors came down - I think it was in Local Government Week last year - and lobbied me in relation to this issue. At that meeting we got through to the bottom of it. There were also various personality issues involved. Without reflecting on anybody, some people had done a very good job and other people had done a reasonable job but were not as conscientious as other people had been.

As a result of that, we sent up a person to do a business case review of the situation, which we have received. As a result of that, for the preliminary urgent works that are necessary there has been a sum of money, which I think is \$81 000, allocated this year. There has been an in-principle decision of Cabinet to allocate the money and to perhaps look at some other arrangements.

We all agree that this funding really is not a long-term solution to Cossack. It is the short-term requirement and until such stage as somebody actually addresses the underlying issues associated with Cossack, we are really only going to have bandaid treatment. We really need to get down to the fundamentals. Cossack is a gazetted town site. There have been a number of studies looking at development but it is the cost of services and a whole range of other things, but in the end I do not think Cossack can stand on its own. It does need some support services and facilities around it but that is really going to be the result of ongoing discussions and deliberations in the future. This money really is only for the more urgent works in the short term.

Dr EDWARDS: Who manages it at the moment? Is it still the Shire of Roebourne?

Mr KIERATH: It is still managed by the Shire of Roebourne.

Dr EDWARDS: Will you spend this money rather than the shire or will the Heritage Council control this money, rather than the shire?

Mr KIERATH: The Heritage Council will control it. Whether it is spent directly through the Heritage Council or through the shire is something that will be a matter of discussion and negotiation.

Dr EDWARDS: Is it likely in the near future that some other outside body might take it over? For example, could the National Trust take it over?

Mr KIERATH: They have been making noises to that effect but no serious proposition -

Mr TRENORDEN: They do not have any money either.

Mr KIERATH: No, they have not. They do not have enough money to provide for their own assets. I was lobbied during this week by a National Trust delegate over some of the country properties where they do not have enough money and resources to manage them. They have volunteers, but they always seem to be quick to stand up and take responsibility for other assets. In the end, we are not prepared to transfer it. I think that is what the Shire of Roebourne wants. Even with the resources of the shire, Cossack is probably a little bit beyond their resources, too. Until such time as we work through the difficult issues, then I do not see any long-term solution to it.

Mr MacLEAN: Minister, at page 712, "Mission", I want to know if there is any flexibility in heritage restoration. The case I would like to raise with you is that of the Yanchep Inn. After storm damage, the bar area and dining areas were restored

to their original grandeur, because they are quite attractive, but when they went to restore the accommodation areas and make them into something that would be accepted by today's travellers, they were told they had to restore them to the 1920 standard. The difference between a standard room and a deluxe room in 1920 was the size of the basin that was in your room. That is obviously not acceptable to today's travellers. People would rather have an en suite than a basin in their room.

Ms MacTIERNAN: Just make a sort of spa and say it is a very large basin.

Mr MacLEAN: They actually do try to comply with what Heritage say. We have this problem. We have a lovely building. Upstairs is a complete shambles because no-one is willing to restore it to a 1920 standard but the building itself is tremendous.

Mr KIERATH: I would find it hard to believe that approval would not have been given due to the size of the basin. I would find that very hard to believe. What I could suggest to you though, if there is some difficulty, is that you bring it to my attention. With other issues, we have been able to do that. There was an issue for Albany to do with an en suite bathroom, but in the end we were able to resolve that to everyone's satisfaction. Sometimes I am not sure that people do not deliberately misinterpret some bits. You often find there can be difficulties on all sides, but an issue like that would seem to me to be an issue that should be able to be resolved.

Mr MacLEAN: The problem is that there are communal showers and toilets. People are not willing to accept that, but when they put in to redevelop the upper floor, the accommodation floor, to put in en suite bathrooms and make the rooms bigger than they currently are, they were told it had to be restored to the 1920 standard.

Ms MacTIERNAN: Which is absurd. Given the structure of it, it could actually be easily accommodated.

Mr MacLEAN: Absolutely.

Mr KIERATH: If it can be easily accommodated, again I say I find it hard to believe that it would have been knocked back on that basis. The example I gave you, which was the classic case, was the one at Albany, St John's, where one proposal to put in an en suite bathroom would have severely damaged the heritage value of the building but, like everything, there are other options. We found an option where the en suite bathroom was able to go in without damaging in a major way the heritage value of the building. It was a case where the heritage value was able to be preserved and the en suite bathroom was able to be put in as well. That is why I would find it very hard to understand that that would really be a genuine stumbling block.

Ms MacTIERNAN: What is the status of the Raffles Hotel? What has the Heritage Council recommended in relation to the site? When will the Government be making a decision on the site and what considerations is the Government taking into account in relation to this matter?

Mr KIERATH: The original advice to me from the Heritage Council was that the Raffles was not of significant heritage value.

Ms MacTIERNAN: That was the Heritage Council?

Mr KIERATH: It was reassessed and decided that it was of significant heritage value. That decision has come to me. I have been waiting and watching the developments on the site before finally determining it.

[12.10 pm]

Ms MacTIERNAN: What developments are you waiting and watching for?

Mr KIERATH: There has been a whole series of proposals and they keep changing. My firm belief is that it is possible to achieve broadly what the developer is trying to achieve and at the same time conserve those parts of the building that have heritage value. My understanding is that some of the conditions that have been put on and which would cause the destruction of the heritage building are conditions or issues that have been placed on it by the City of Melville rather than the developer.

Ms MacTIERNAN: Some of the conditions that what?

Mr KIERATH: Some of the conditions of the development or the thrust of the development or features of the development have been imposed by the City of Melville that would cause the destruction of the heritage buildings.

Ms MacTIERNAN: It looks like Abe has to do another \$25 lunch.

Mr KIERATH: Nothing at all. When looking at that, I have felt in my position as minister that some of those features that the City of Melville were imposing were unrealistic. I actually brought together the various Government agencies to sit

down and talk the issue through and I think it is fair to say we were pretty much of a common view about the sorts of things we would like to see on the site. Unfortunately, I do not have any direct role other than the ability of heritage listing and, I guess, I have been using that position in terms of the negotiations and trying to resolve some of the issues on that particular site. The decision is still under consideration at the moment, but I am waiting to see whether the council and the developer can resolve some of the issues.

Ms MacTIERNAN: I have some sympathy with what you are saying. You are saying basically you are using your capacity to make a decision and not making that decision to bring parties to the negotiating table.

Mr KIERATH: I have been sitting and watching. I do not have an active role in the negotiations because primarily they are between the developer and the local council, although under certain circumstances some of those might require the approval of the Planning Commission.

Dr EDWARDS: Could the Planning Commission knock it back?

Mr KIERATH: They knocked back one proposal, but I am saying a proposal like that will have to go through both the local authority and the Planning Commission. As well, sitting over that is the decision to list those parts of the building or not. I have been using my position as Minister for Heritage and Minister for Planning to try and get the parties to resolve their differences and work through the issues. I can only say that to date the issue has not been resolved.

Ms MacTIERNAN: Minister, whilst I do appreciate that, particularly in the heritage area, various players have to be prepared to negotiate and that perhaps one cannot be too purist about some of these heritage things - and I think the thing the member for Wanneroo pointed out was a classic example - I would have thought that your position here, and this is where you get this conflict between your roles of Planning and Heritage, should be to have made a determination on the basis of the heritage measures and, you having made that decision, parties would then have to come to the party and negotiate around that decision. I would have thought that really the scheme of the legislation was such that you should be looking at that as a heritage issue and, if it has merit, then agreeing to list that, and then the parties have to negotiate around that decision, rather than using the actual decision as part of the negotiations.

Mr KIERATH: I do not have a conflict of interest because my main involvement is actually as Minister for Heritage.

Ms MacTIERNAN: Do you see the point that I am making?

Mr KIERATH: Let me finish. My position as Minister for Planning really does not come into play because the Planning Commission has the authority in their own right. They actually do not refer it to the minister for approval of the development. It is one they take independent of the minister, so my primary role is as Minister for Heritage. My own feeling is, if I look at the original proposal that was put up, that the buildings and heritage value would have been destroyed.

Ms MacTIERNAN: That is not what you are deciding on, Minister.

Mr KIERATH: It is.

Ms MacTIERNAN: It is not.

Mr KIERATH: It is.

Ms MacTIERNAN: You just said.

Mr KIERATH: The issue that I am dealing with is, I believe that the buildings that do have some heritage value can be saved and I am doing whatever I can to try and ensure the retention of those heritage buildings.

Ms MacTIERNAN: Minister, can I see if we can clarify this? You do not have a decision to make on the planning. You do not have a decision to make, as you have said yourself, on the development application that might be before whoever, whether it is the council or the Planning Commission, but you do have a decision to make on the heritage aspects of it, so really should your job as the Heritage Minister not be to put to one side whatever development applications might be coming forward and to view these buildings and say, "Okay, the Heritage Council has recommended to me that these should be listed"? Should you not be making that decision really quite separately from any consideration of what may or may not be in the development application?

Mr KIERATH: I do actually make it quite separately. I do not have any involvement in what may or may not be in the development application.

Ms MacTIERNAN: Then why are you waiting and seeing?

Mr KIERATH: If the Planning Commission had approved the development at the time, there was no heritage listing and the buildings would have gone over.

Ms MacTIERNAN: Yes, but that is a separate issue.

Mr KIERATH: No, it is not. It is not. As it has turned out, they did not approve it and since then I have further Heritage Council advice and, as I said, I am using my position as minister for Heritage to do everything that I can to ensure the retention of those buildings. I felt previously from the position I was in that not every effort was being made to preserve those buildings.

Ms MacTIERNAN: Minister, I understand what you are saying, but is your job not to have a look at those buildings and say, "Yes, these should be preserved," or, "No, they are not." Not so much that they should be presented, but they should be heritage listed. They deserve heritage listing. Obviously if you looked at that and made a decision that they were, then those people that want to develop the site have to work around that particular decision. I am concerned at what you are saying, that you are waiting and having a look at what the development applications are, because your decision as Minister for Heritage should be quite separate from the decisions that are made from any consideration of what may or may not be in a development application.

Mr KIERATH: You obviously do not understand the Heritage Act.

Ms MacTIERNAN: I do.

Mr KIERATH: The Heritage Council provides me with advice and then the minister makes a decision, not only on the information provided by the Heritage Council, but a range of other considerations as well, and it is one of those other considerations at the moment that I am saying I was concerned about, the direction and the pathway the development was taking, because I believed it was going in a direction that would end up where the heritage buildings would be sacrificed when I looked at the public comments of the developer, the public comments of the council and the public comments of the Planning Commission. I could have sat by at that particular point in time and seen them disappear. I chose not to as Minister for Heritage, but that I would do everything within my power to get a commonsense resolution to allow the retention of those buildings and not only their retention, because that is only part of the equation. Part of the equation is also a profitable, ongoing use of those buildings. Sometimes if you just retain them and you do not have a profitable use for those buildings, they become a millstone around someone's neck and they deteriorate.

Mr TRENORDEN: Page 712 talks about limited heritage expertise of Local Government, which I agree with, and also on page 713 I see that the asset replacement and maintenance budget is as substantial as usual, \$50 000. Also if you go on to page 716, it talks about provision of a further \$1m towards conservation of places of cultural heritage significance. I am concerned, Minister, and I am just wondering if any work is being done in this coming year on the capacity of Local Government and private people to preserve their buildings in the manner that they need to be; that is, I think a lot of accidental work gets done which actually harms buildings because people do not have the expertise.

Dr EDWARDS: What about the York Bank?

Mr TRENORDEN: There are a whole range of them. I am thinking of York in particular, but the council just do not have that expertise and if the maintenance man is told, "We have got a problem with water," or whatever it is, "Go and fix it," he will go and fix it the best way that maintenance man knows possible but with no knowledge of heritage materials and provisions. I have been talking to what was the old Materials Institute of Western Australia and a range of other people. I think we desperately need to be able to give a capacity not only to Local Government and perhaps some other semi-Government authorities but also private individuals who would also like to have the expertise to know exactly what they should be doing in particular maintenance circumstances.

[12.20 pm]

Mr BAXTER: I guess the Heritage Council would be very supportive of the line that you are suggesting here. Having the right sort of advice at the right time is absolutely critical. We endeavour to provide that through our regional advisory services and we also advise through our central office set-up. We have also been very productive in trying to produce technical publications which are, at a very reasonable cost, made available to people so that they can have a look for themselves and follow the right sort of basis. We are doing as much as we can within the resources we have.

Mr TRENORDEN: I am not being critical. As I have just pointed out, you have no resources basically, but I would think some of this might be a bit self-supporting. I think people would turn up to seminars and training situations, particularly private people. If they had the opportunity to have a chance to learn, I think they would pay. I live in a house that is nearly 100 years old. I have some fretting bricks which I look at regularly. I have asked one builder, "How am I going to fix it?" and he said, "You just render it," and I decided I was not going to do that because I am not sure that he knows what he is talking about.

Mr BAXTER: We do try and put on some seminars and workshops. We have one coming up in July. We would do more of that if we had the resources to do it.

Ms MacTIERNAN: Are they open to the public?

Mr BAXTER: They are open to anybody.

Mr KIERATH: There are a couple of things I would like to add there. One is a bit of a light-hearted comment; the comment that the member for Armadale made previously. It is always worrying as a minister when you actually heritage list a building that is younger than yourself. You stop and reflect on that for a moment. In relation to your point, I think you have to look at where we have come from in terms of the Act. In 1990 we did not even have a Heritage Act. If you see where the issues of heritage are going, it is going in the right direction. There might be parts of it that might be able to go faster.

Mr TRENORDEN: I am not arguing with that. I would just like to speed this process up because I think there is a mood for it.

Mr KIERATH: I think TAFE run a number of courses to do with the heritage issues of building maintenance, and that has been growing in terms of numbers. There are some courses but it is going to take some time, I think, before the general handyman has included as part of his qualifications some heritage -

Mr TRENORDEN: I do think the public need a situation where you can ring up a builder or whatever and he says he is licensed or registered or something or other with heritage matters because no builder is going to say, "No, I'm not going to do that job for you," and admit that they do not really have the understanding or genuinely think they can do something to fix without the knowledge. I think it would be useful for the public to be able to establish that there are people out there who have the expertise.

The CHAIRMAN: Minister, my recollection of one of the committees yesterday is that there is a review of the Builders Registration Act under way right now.

Mr KIERATH: There is. I am not so sure that will actually include these sorts of issues.

The CHAIRMAN: No, but it could.

Dr EDWARDS: At page 712, "Significant issues and trends", it says:

Development referrals and public nominations of places to the Register have increased by 10 per cent over the last year.

My question is, given that increase and given on page 715 you have your output measures about the numbers of assessments and development referrals to be considered, what is your current backlog and what do you think the backlog will be in a year's time?

Mr KIERATH: I do not think you can really ask what we think in a year's time, but we can answer what the backlog is now.

Mr BAXTER: The backlog, as near as we can determine it at the present moment, is around about 1 000 places in terms of awaiting assessment. That has come about through the process of municipal inventories where a certain percentage of the places that have been assessed in that process have been identified for consideration under State registration. We have yet to work through those and see whether they in fact do stack up to the criteria under the Act.

Mr KIERATH: Bearing in mind that the municipal inventory identifies them but does not necessarily mean that they will meet the State Register's criteria, there could be thousands on the municipal inventory but it may well be that very few of them actually meet the State Register and there might be other areas where a larger number might meet the criteria.

Dr EDWARDS: Given your output measures on page 715 for quantity assessments - there are 110 for 1999-2000 and only 100 for 2000-01 - does that not mean the backlog will increase?

Mr KIERATH: It is a matter of priorities.

Dr EDWARDS: We hope you have your priorities right. If you have 1 000 waiting and you know in the next financial year your target is less than this year, I certainly hope your priorities are right.

Mr KIERATH: As I said, it is a matter of priorities.

Mr MacLEAN: Page 712, "Issues and Trends", I would like some information on the three workers' cottages in Newcastle Street, Northbridge that are alongside the tunnel project. The information I would like is when will they be restored, when is the work due to begin, who is responsible and who is paying because I cannot see anything here?

Mr KIERATH: We have actually missed it. It was originally under the Planning Commission's budget and it has now probably gone across to the East Perth Redevelopment Authority's budget. Basically the role of the Heritage Council is to put those buildings on the register. With the current Act that we operate we have no power to direct maintenance to be

done. There is a Bill before the House that has that power, but it has managed to get stalled. I would ask the cooperation to get that legislation passed because that would overcome the issue of buildings that are deteriorating through lack of maintenance. But in relation to your answer the ownership of the building and responsibility for restoring them was with the Planning Commission. It has now been transferred to the East Perth Redevelopment Authority and the restoration of those buildings has been given the highest priority. I cannot give you the exact date but, if you want to approach me afterwards, I will follow that through for you.

Mr MacLEAN: What will be the uses of the buildings once they are restored and how much input will Heritage have in that?

Mr KIERATH: The usage of them has not finally been determined but it may well be that they will be used for either offices or some residential purposes. As to the involvement of the Heritage Council, if they want to do any major changes or renovations or anything that might affect heritage value of the property, it would require the Heritage Council's approval.

Mr RIPPER: Page 712, a dot point there refers to the completion of municipal inventories over the last four years. Minister, what action do you propose to take against those councils that have not established municipal heritage inventories as required under the Act?

Mr KIERATH: I would like to take some action but I do not have any powers to take any action.

Dr EDWARDS: How many have not? Is it about four?

Mr KIERATH: Seven councils.

[12.30 pm]

Mr RIPPER: Will you identify those councils?

Mr BAXTER: Perth, Fremantle -

Dr EDWARDS: Has Peppermint Grove done theirs?

Mr BAXTER: Yes.

Dr EDWARDS: They were outstanding last year, I think, were they not?

The CHAIRMAN: Is this metropolitan or rural as well?

Mr BAXTER: Most of them are rural. I do have the information and I can provide it, but the rest of them are primarily rural-based.

Mr RIPPER: City of Perth and City of Fremantle are two of them. Is that right?

Mr BAXTER: Dardanup, Kent, Tammin, Williams, Woodanilling and Perth and Fremantle. In the case of Perth, they have a draft municipal inventory but it is yet to be endorsed by the council. We have had considerable discussions with Fremantle just recently in terms of progressing theirs and I think that is now back on track.

Dr EDWARDS: Are they required to review their municipal inventories after a period of time?

Mr BAXTER: Every four years.

Dr EDWARDS: So some of them would have finished their second review.

Mr KIERATH: From my point of view, I cannot believe Fremantle and the attitude they have taken on heritage issues. They do not have their heritage inventory completed. I just find it absolutely, totally amazing and hypocritical.

Mr TRENORDEN: It is almost disgusting.

Mr KIERATH: It is, and I have said that, but they have made some effort to improve it - I think I sent them a letter of congratulations - and that involved a lot of discussion by the council.

Mr MacLEAN: Is there a process through Heritage where, if a building is listed on the local authority's listing and the owner of the building does not think it warrants it - obviously Lusini's Winery does deserve it but there is a house nearby that is a 1953 Italian-built house and the only reason is it has columns and two lions out the front and the owners are at their wits' end, they cannot seem to get any cooperation out of council because it is on their list.

Mr KIERATH: I think it can go on the municipal inventory even if the property owner was not agreeable.

Mr MacLEAN: That is right.

Mr KIERATH: Being on the municipal inventory does not prevent it from being demolished. In fact, quite often it can be demolished. A lot of people misinterpret the status of the municipal inventory. They can still be demolished but there are some historical requirements required of them to record it, to take photographs, to take details and record a history, etcetera. Basically it does not protect them really from demolition, it just adds a degree of difficulty, if you like, to the development of that property.

Ms MacTIERNAN: I just have a number of different sites here. I was wondering if you could tell us what you have recommended in relation to each of those. Can I list them down?

The CHAIRMAN: Could they be answered one at a time or are you seeking supplementary?

Ms MacTIERNAN: Okay, Belmont kilns.

Mr KIERATH: Belmont kilns is still the subject of negotiation and discussion between the Planning Commission, the shire and the Heritage Council and Main Roads - not really Main Roads.

Ms MacTIERNAN: Has the Heritage Council made a recommendation on it?

Mr BAXTER: It is on the register.

Mr KIERATH: They are on the register.

Ms MacTIERNAN: It is still the subject of negotiation?

Mr KIERATH: Parts of it are on the register and other parts are not. There was an agreement about the demolition of some of the kilns and I have been trying to, at the instigation of the Heritage Council, extract some of that back. There is a road that is proposed to go through which will require the demolition of some of the kilns and what we have been endeavouring to do is to try and get some further agreement whereby they could redesign the roads to allow the retention of the kilns over and above what has already previously been agreed.

Ms MacTIERNAN: Have you any idea of when you might make a decision on that?

Mr KIERATH: I had hoped I would have been able to make the decision by now but I am unable to make the decision at this point in time.

Mr RIPPER: On that issue, as the member for Belmont, are all of the kilns on the register?

Mr KIERATH: Yes.

Ms MacTIERNAN: East Perth Power Station?

Mr KIERATH: That is on the register.

Ms MacTIERNAN: Is there anything happening in terms of the -

Mr KIERATH: From a Heritage Council point of view, there is nothing further to happen. It is on the register.

Ms MacTIERNAN: From your Planning point of view?

Mr KIERATH: We are not doing Planning, but it is not Planning. It would most likely be the East Perth Redevelopment Authority.

Ms MacTIERNAN: Which is under Planning, is it not?

Mr KIERATH: No, it is a separate authority.

Ms MacTIERNAN: Planning Minister, the South Fremantle Power Station?

Mr KIERATH: As the Planning Minister again, you should have done it on the Planning Commission.

Ms MacTIERNAN: Is it heritage listed?

Mr KIERATH: It is on the register.

Ms MacTIERNAN: Wadjemup Hill, Signal Ridge, Rottnest? Signal Ridge?

Mr BAXTER: I am not sure.

Ms MacTIERNAN: Could we get that by way of supplementary?

Mr BAXTER: You certainly can.

The CHAIRMAN: Sorry, the minister has to give that commitment.

Mr KIERATH: Yes. That is only finding out whether it is on the register or not. It is not a great resource issue.

Ms MacTIERNAN: Bickley Battery, Rottnest?

Mr BAXTER: I think it is, but we can clarify that at the same time.

Ms MacTIERNAN: Cunderdin air field?

Mr BAXTER: No.

Ms MacTIERNAN: Is it up for consideration?

Mr KIERATH: Yes.

Ms MacTIERNAN: Can you tell us where that is up to within the council's processes?

Mr KIERATH: The information and the recommendation has been given to the minister and it is under consideration.

Ms MacTIERNAN: The council has recommended it or not?

Mr KIERATH: Yes.

Ms MacTIERNAN: The council has recommended it and it is with the minister.

Mr KIERATH: It has made a recommendation and the recommendation is with the minister.

Ms MacTIERNAN: Right, Minister, and it is a recommendation that it be put on the register?

Mr KIERATH: Parts of it.

Ms MacTIERNAN: What matters will you be taking into consideration to determine that?

Mr KIERATH: A whole range of issues; issues under the Heritage Act and some wider issues as well.

Ms MacTIERNAN: What sort of things would they be?

Mr KIERATH: The ongoing use and survival of the buildings.

Mr TRENORDEN: Cunderdin is very keen to keep it used as an airstrip.

Ms MacTIERNAN: Trigg Cottages?

Mr KIERATH: No, the Trigg Cottage is not on the register.

Ms MacTIERNAN: Has there been an application to the Heritage Council?

Mr BAXTER: Yes.

Ms MacTIERNAN: Has the Heritage Council made a decision in relation to that?

Mr BAXTER: Yes.

Ms MacTIERNAN: Was that a recommendation that they should be placed on the register?

Mr BAXTER: Yes.

Ms MacTIERNAN: Is that with the minister now?

Mr BAXTER: No, it was rejected.

Dr EDWARDS: Can I clarify? Is that Cottage or Cottages?

Mr BAXTER: Cottage.

Ms MacTIERNAN: Just one.

Mr BAXTER: No, I think there was more than one. I think there were three there.

Dr EDWARDS: There are only two now.

Ms MacTIERNAN: When was that rejected?

Mr KIERATH: I would have to find out for you.

Ms MacTIERNAN: Recently?

Mr KIERATH: No.

Ms MacTIERNAN: If you could provide that by way of supplementary information.

Mr KIERATH: Yes.

Ms MacTIERNAN: Just one further one, the Fremantle silos.

Mr TRENORDEN: Knock them down quick.

Ms MacTIERNAN: There was some attempted intervention by the member for Cottesloe in relation to an arrangement to keep part of those silos; the hospital silos I think he wanted to keep. What is the current state of play with the Fremantle silos?

Mr KIERATH: I know of no formal attempt by the member for Cottesloe.

Ms MacTIERNAN: You know of no formal attempt?

Mr KIERATH: No formal attempt by the member for Cottesloe.

Mr RIPPER: Just a TV interview.

Mr KIERATH: From a Heritage point of view, that is not a formal attempt. What was the second part of your question? What is the current status of the silos?

Ms MacTIERNAN: Yes.

Mr KIERATH: Really that is an issue for the Minister for Transport.

Ms MacTIERNAN: No, sorry, from a Heritage point of view.

Mr KIERATH: The only decision I had to make, which I released publicly, was whether I would agree for the silos to go on the State Register and I made my decision for it not to go on the register. That was publicly announced at the time, and the status of the silos - where they are, etcetera - is really the responsibility of the Minister for Transport.

Mr RIPPER: Mr Chairman, by interjection I asked a question there. Are you saying that the member for Cottesloe has made no formal representation to you about the Fremantle silos?

Mr KIERATH: As Minister for Heritage. He has made no formal attempt to the Minister for Heritage in relation to the silos. I think what you need to understand is he has been talking with the Fremantle Port Authority, but he has not made a formal attempt to the Minister for Heritage because the heritage decision had been made.

[12.40 pm]

Mr TRENORDEN: The Port Authority is going to knock him over.

Ms MacTIERNAN: With respect, Minister, I am seeking to understand this. In relation to the Raffles Hotel, a matter was determined by the Heritage Council and then they went back and revisited it and made a second recommendation. It is at least feasible that the matter go back to the Heritage Council, is it not, in respect of the hospital silos, and then a second recommendation go from the Heritage Council to you?

Mr KIERATH: Any person can refer the matter to the Heritage Council.

Ms MacTIERNAN: Has the member for Cottesloe referred it to the Heritage Council?

Mr BAXTER: Not as far as I am aware.

Mr McNEE: This is all very nice, Mr Chairman, but I do not see that it has anything to do with the budget, quite frankly. Whether the member for Cottesloe did or did not, I do not really think that has anything to do with the budget.

The CHAIRMAN: The member for Moore, I think we are almost at the end of the Heritage discussion.

Mr McNEE: I would hope so.

Ms MacTIERNAN: Minister, when the heritage legislation was established, the intention was in relation to private property - property that was not owned by the Government - that the minister would have a discretion to accept the recommendation of the Heritage Council. It was always the scheme of the legislation that where an asset was owned by the Government, the recommendation of the Heritage Council was sufficient to place it on the register, because obviously there are conflicts which occur with people in Cabinet who are making decisions. It was considered it would not be sufficient protection for a Government-owned building to have the minister making the determination beyond that made by the Heritage Council. How do you square away what has happened here with the Fremantle Port Authority?

Mr KIERATH: The Fremantle Port Authority is a corporatised body.

Ms MacTIERNAN: With respect, Minister, the Fremantle Port Authority is not a corporatised body; it is a commercialised body. There is an important difference in the legislation, in that the Fremantle Port Authority is subject to - unlike certain other Government agencies - overriding direction by the Minister for Transport.

Mr TRENORDEN: Maybe there is a direction to knock those silos down real quick!

Ms MacTIERNAN: Yes, that may be. That is your view. But I am trying to get to the important scheme of -

Mr KIERATH: This issue was raised at the particular time, but on checking the title to the land, the land was held in freehold by the Fremantle Port Authority as distinct from most Government land that is held administratively where it is transferred across to them but they do not hold it in freehold. I am trying to think of the right term. It is basically Crown-owned land held by DOLA, and then often the particular agency - whether it is Education or whatever - will have the use of that land. In this case it was actually freehold land in fee simple and with the structure of the Fremantle Port Authority it was not in part of the Act which deals with Government property.

Ms MacTIERNAN: Minister, do you not see that is a technicality and that, in fact, the principle of the Act, the principle of the legislation, is that where an agency is subject to Government direction, it should not be within the province of the Minister for Heritage to -

Mr KIERATH: I am afraid those words are your interpretation. They are not actually in the Act. The Act says quite clearly "Crown-owned properties", and in this case it was freehold land. We sought extensive Crown Law advice on it before the issue was dealt with.

Division 60: National Trust of Australia (Western Australia), \$675 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr I. Baxter, Director, Heritage Council.

Mr E. Munro, Manager Corporate Services, Heritage Council.

Mr W.R. Sullivan, Assistant Commissioner (Policy and Legislation), State Revenue Department.

Mr N. Mills, Assistant Commissioner, State Revenue Department.

Dr EDWARDS: My question relates to page 942 where, under "Financial Position - Summary and Outlook" for the National Trust, it says at the bottom of the page -

As a result the Trust may need to close some properties to the public to ensure costs do not exceed the income available to meet such costs.

Does the minister have any idea of which properties the trust is considering closing and for what period of time, and will you be taking any action to encourage the trust to keep the properties open, given they have had increasing appropriations from Government over the last five years?

Mr KIERATH: The difficulty with this one is that the National Trust do not even come along to the budget presentations -

Dr EDWARDS: I know.

Mr KIERATH: - because the National Trust as such is not funded by the Crown. Some FTE positions are funded by the Crown and, although we pay salaries for the people, we do not have control of how the National Trust spends its money.

Dr EDWARDS: Would you have an agreement for how they spend the money you appropriate with them?

Mr KIERATH: No.

Dr EDWARDS: Why not?

Mr KIERATH: Because all we have done is fund the positions for people and they are under the control of the National Trust Council, the general members. The National Trust legislation is an unusual piece of legislation. It has its own Act. It relates to volunteers and sits across Government. We have had a review of it to try and resolve some of the problems, but it is the feeling amongst the National Trust and the Government of the day that, inherently, some of their structural problems are because of them sitting with their feet in either camp, if you like, and really that should be resolved in the longer term. If you ask me what is my view, I think they should stop being funded by Government in the way it has been done. They should separate out of Government and then we should, if there are services we want them to provide and we are prepared to pay for it, do it by some form of agreement for providing those services - where they agree to provide a particular service which we are paying for, and then we have some control over that. That separates then some of the responsibilities. There are good examples of that. I think the Ethnic Communities Council is an example of that, where the Government funded the council on that basis, and they contracted to provide services to the Government.

Dr EDWARDS: Yes. There are a lot of areas where non-Government organisations have contracted with Government to deliver certain outcomes.

Mr KIERATH: Yes, and that is the way it should go.

Division 61: State Revenue, \$191 542 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr M.F. Intini, Acting Commissioner, State Revenue Department.

Mr W.R. Sullivan, Assistant Commissioner, Policy and Legislation, State Revenue Department.

Mr R.K. Richardson, Assistant Commissioner, Compliance, State Revenue Department.

Mr N. Mills, Assistant Commissioner, State Revenue Department.

Mr R. Kernahan, Manager Financial Services, State Revenue Department.

Mr RIPPER: I note the dot point on page 1296 that a significant issue in this financial year is the impact of the implementation of the tax reform measures contained in the Intergovernmental Agreement on Commonwealth-State Financial Relations; in other words, the implementation of the goods and services tax. The Minister for Housing has given us a Parliamentary answer to the effect that as a result of the GST land prices are expected to increase by 5 per cent. Given that land values will increase by 5 per cent and land tax is based on land values, will land tax collections increase as a result of the goods and services tax? Are these increased collections included in the forward estimates and, if not, why not?

[12.50 pm]

Mr KIERATH: Of course most of the properties are actually the principal place of residence and not subject to land tax. If they own additional properties they are aggregated and they have different rates, so it is very hard to estimate it or to work it out. That is the situation in relation to the properties.

Mr SULLIVAN: It is important to recognise how under the GST regime land is actually going to be treated. Our understanding is that land, developers' land in particular, is going to be treated under a margin scheme. That means if the price charged to a person purchasing land is, say, \$50 000 and the developer had acquired that land for, say, \$40 000, the GST component would only apply to the margin of \$10 000. One would not expect that land prices will be immediately impacted by the GST, particularly land being brought on, because of that margin scheme. The estimates for land tax are based on a modelling procedure that the department runs. That model is run across values which are provided from the Valuer General and our view is that those estimates will reflect what the values are likely to be as at 30 June.

Mr KIERATH: You do understand that, do you not, that the values are struck at 30 June relating to the following year, so as at 30 June in this current year there will be virtually no impact of the GST.

Mr RIPPER: I am looking at land tax collections across the forward estimates. The Economic and Fiscal Outlook on page 45 has estimates for taxation revenue. It shows taxation revenue from land tax in 1999-2000 at \$205m. The budget estimate for 2000-01 is \$209.5m and then it goes out to \$224.2m in 2001-02.

The CHAIRMAN: What page are we looking at?

Mr RIPPER: Page 45 of the Economic and Fiscal Overview. That is your estimate of taxation revenue there, budget projections.

The CHAIRMAN: Your question is, member for Belmont?

Mr RIPPER: I just wanted them to find the page. My question is, Mr Chairman: do those estimates take account of the impact of the GST on land prices as suggested by the Minister for Housing in a written answer which he has given to Parliament?

Mr KIERATH: I am advised that the "at year" figures are figures actually calculated by Treasury on the information that we have provided to them. In the current year we have said, there is virtually no impact of GST and we have to get an answer from Treasury for those other amounts.

Mr RIPPER: Perhaps, Minister, you could provide us as supplementary information the expected impact of the GST on land tax revenues in the out years.

Mr KIERATH: Seeing those figures are done by Treasury, I think it would be better if you put that question on notice to me.

Mr RIPPER: Minister, you are responsible for the collection of land tax revenue, are you not, in your capacity as Assistant Treasurer?

Mr KIERATH: Yes, I am, and I have explained that to you, that our figures that we have put in are there. The other figures there, the out years, are actually Treasury figures and so they are not my agency, but if you want to put it on notice I will ensure that Treasury answer it for you.

Mr RIPPER: So you are not prepared to provide that information to us?

Mr KIERATH: I have explained to you the information that we have provided. I have given you all the information that we have provided in the current year. Those figures are not formulated by us; they are formulated by Treasury.

Mr RIPPER: Yes. It is amazing that the minister responsible for the collection of State revenue would not have this information available. Mr Chairman, I have another question. I do not know whether -

Mr KIERATH: We have provided our land tax information in the current year, the modelling scheme and everything else, but we do not actually provide those out year figures; they are Treasury figures. We do provide the information but we do not know what additional issues Treasury have put on those figures.

The CHAIRMAN: The member for Wanneroo has a question on the land tax issue, and then back to yourself.

Mr MacLEAN: Minister, land tax has always been a problem with market gardeners, especially where they have three or four properties where they do their cropping and the properties are rested on a regular rotational basis. This is distinctly different from broadacre farming that does not appear to be rested that often. Is there an intention for a review of the problem faced by horticulturalists who generally farm from two or three different areas at one time and yet their principal place of residence is the same, so some years their land tax varies considerably. It is a bit hard for them to stabilise their budgeting process when if they are resting the wrong fields they get hit by a high level of land tax because the other ones are being rested and they are not used and in other years when they are using their principal place of residence as their farming property their land tax - no, when they are not using their principal place of residence - whatever. Are you going to review it so these blokes do not suffer?

Mr MILLS: I am not aware of any review of land tax in respect of the question you raise. The issue though that you raise I am aware of in terms of the ability of the primary producer in these particular circumstances to meet the income test, because the land concerned is within the metropolitan region -

Mr MacLEAN: That is right.

Mr MILLS: - which requires that the owner must be the user of the land, it has to be a defined business of primary production and they have to meet the income test, which is that one-third of their total net income has to be derived. There is a discretion which is available to firstly be considered by the Commissioner in respect of where the owner does not meet that income test. The discretion is based around factors which might be abnormal to the normal meeting of the income test. Any disallowance of that discretion can be appealed to the minister to reconsider and the minister has a discretion.

The things that we take into account for the purposes of determining that discretion are that it might be a seasonal aberration due to depressed market, drought, famine, fire, that sort of thing, or it might be that the business itself is being newly established, but where it is a continual history of an inability to meet the income test, there is a further concession within the land tax legislation which allows a 50 per cent concession for tax that would otherwise be payable. That recognises the fact that a person would not be able to achieve a full exemption but at the same time recognises that a business is being conducted. The residential exemption side of it which you have identified is correct. A proper use solely or principally for the residential purposes is exempt. Where there is another operation conducted on that property, though, the remainder of the property is subject to any exemption that applies to that other operation and, as you say, it might be primary production, but in terms of the Act there is nothing that I am aware of in terms of a review to be undertaken, other than the discretion the rules set out in respect of that primary production.

[1.00 pm]

Mr MacLEAN: Minister, I find it a little bit confusing that a broadacre farmer who grows sheep, cattle or wheat is treated differently under the tax system than a horticulturalist who, because of the nature of his work, uses several different areas. There are no broadacre properties in the greater metropolitan or even the close country areas that have proved to be profitable for horticulture over the long term. Horticulture is by way of definition 20 hectares and no more and a glaring example of that is when Sumiches went super big up in Gingin and destroyed the place. We know what happened to Sumiches. They could not pay their bills at the end of the day. We have an industry that is restricted in size because of the nature of the industry; that is, it has to access the metropolitan markets and the metropolitan consumers and keep its costs down. It is small sized physically. Because you cannot get them in one area, they are being discriminated against because they move their primary places of production around. They rest some of their properties once every five years or for two years out of five.

The CHAIRMAN: Do you have a specific question for the minister?

Mr MacLEAN: I would like to ask the minister if he is going to instigate a review, given the special circumstances of the horticultural industry in this State and the discriminatory practices about land tax between broadacre farmers and small acre farmers.

Mr KIERATH: At this stage I do not intend to instigate a review, but what I would encourage if there are difficulties being experienced by the horticultural industry is to bring those forward to me and see whether they have actually tried to access some of the provisions that Mr Mills outlined and if they have and they have been non-suitable, then I think that is the sort of thing we would need to have a look at, so I would invite them to come forward and bring me some information or some evidence and I would be more than happy to look at that issue and see if some other alternative is possible.

Mr RIPPER: Coming back to land tax collections, while you might not be able to provide us with information on land tax collections as they will be affected by the GST, do you agree that land tax collections will increase as a result of the GST's impact on land values?

Mr KIERATH: I think the major factor affecting the increase in land tax is actually the revaluations of the properties rather than any effect the GST may or may not have.

Mr RIPPER: The revaluations will be affected by the GST so land tax collections will increase. The GST increases the valuations.

Mr KIERATH: Land tax collections do tend to increase according to the valuations, but we adjust the rates accordingly each year to get the quantity of land tax that we require, so we do that now.

Mr RIPPER: Are you therefore saying that the Government intends to adjust the land tax rates to take account of the GST impact on land values?

Mr KIERATH: Globally we adjust land tax each year to meet the required revenue and we take those situations like increases in value into account when we do the adjustments and we set our rates.

Mr RIPPER: The Government may adjust land tax rates to take account of the GST impact on valuations?

Mr KIERATH: We adjust the rates every year. Whether that gets adjusted to include the GST, at this point in time it would be difficult for me to say.

Mr RIPPER: "Impact of the implementation of tax reform", page 1296. As you are aware, you collect stamp duty on GST-inclusive prices and insurance policies. Many insurance policies already have a GST component incorporated into them because the insurance policies run over the period when the GST comes into effect. Would it not be the case that because the Government is applying stamp duty to GST-inclusive prices and people have paid insurance premiums now which have included the GST, the Government has already collected extra stamp duty due to the application of stamp duty on GST-inclusive prices? Can you tell us how much extra revenue you have collected in 1999-2000 as a result of this particular effect and do you agree that you are collecting additional revenue as a result of the application of stamp duty to GST-inclusive prices charged on insurance policies? You understand the point I am making.

Mr KIERATH: Yes, I think so.

Mr RIPPER: You pay insurance -

The CHAIRMAN: Member for Belmont, can we let the minister make a reply? If he does not, in your view, understand the question, you will have a chance to ask it again.

Mr RIPPER: Thank you for your indulgence, Mr Chairman.

Mr KIERATH: I will perhaps rephrase it. There has been some concern that people have raised the stamp duty and the interrelationship with the GST and stamp duty and I think the undertaking that the Premier and Treasurer gave was that it was not his intention to collect more from stamp duty as a result of the GST. The undertaking that he gave is that that would be the broad picture, so at the end of the year, if stamp duty had risen as a result of the GST, he would adjust the stamp duty rates accordingly so that it would not be an increase in revenue. I think that is the undertaking he has given publicly.

Mr RIPPER: Minister, your own budget papers there, at page 49 of the Economic and Fiscal Outlook, show in fact -

By the end of the forward estimate period, higher stamp duties on property conveyances (and business insurance) is expected to outweigh lower motor vehicle stamp duties, resulting in higher total revenues of around \$16 million per annum.

That is under the heading "Estimated Impact on Stamp Duty of GST Inclusive Prices", so the Government is expecting extra revenue as a result of the application of stamp duty. What I am really asking you is: are you not already in this current financial year getting that extra revenue because GST has already been charged on insurance premiums?

Mr KIERATH: To answer the last part first, there is some pro rata. That is true.

Mr RIPPER: Yes. You have stamp duty on the pro rata so you are getting that extra revenue this year.

Mr KIERATH: We think in this current year that will only be marginal. What those figures do not show is the undertaking that the Premier has given in relation to stamp duty, that he would globally quarantine the stamp duty, and that if the stamp duty collections increased, then he would adjust the rate so that globally there was not the increase in stamp duty collections as a result of the GST. That is an undertaking that he has given publicly since the budget was introduced and announced.

Mr RIPPER: It is certainly not an undertaking that is reflected in the forward estimates in the Economic and Fiscal Outlook.

Mr KIERATH: No. I have just explained that, because they were done before he gave that undertaking.

Mr MacLEAN: Minister, page 1296, "Issues and Trends", dot point 4. Could you explain "Inter-jurisdictional harmonisation of legislation and tax administration practices"? It sounds like a bit of a mouthful. What does harmonisation have to do with tax or is it a new rock band?

Mr INTINI: What the words mean is that where we can accommodate similar or the same practices across jurisdictions in an administrative sense, we attempt to do that by getting together with other jurisdictions. For example, where taxpayers cross jurisdictional boundaries, we try and have similar processes in an administrative sense. Policies across jurisdictions will always differ, or they certainly have in the past, but what we attempt to do is to make administrative matters similar across the jurisdictions.

Mr MacLEAN: This would have more to do with Coles who cross State boundaries and things like that.

Mr INTINI: They may be one. I am not sure whether they are a taxpayer on our books but it is the larger ones that would benefit. There may be other reasons why we try to do things the same across jurisdictions but largely it is to accommodate

those taxpayers where they cross jurisdictional boundaries. You have mentioned a large potential taxpayer there. It would be that type.

[1.10 pm]

The CHAIRMAN: Is that clear, member for Wanneroo?

Mr MacLEAN: I was intrigued by the wording.

Mr RIPPER: I refer to page 1315 where there is an item, "Stamp Duty, Mortgages". Given that it will cost more to buy property as a result of the GST, except for some first home buyers who will get a grant which will at least partially offset the increase in house and land packages, will not the increase in the value of mortgages therefore increase stamp duty revenue to the Government? What is the expected additional revenue to be received from the GST-induced increase in mortgages required to buy house and land packages?

I note that the estimate of stamp duty revenue from GST on mortgages is not expected to increase in the forthcoming financial year. That is no doubt due to the expected decline in the housing industry from the beginning of the GST period, but there nevertheless will be an ongoing effect as a result of the GST which will increase stamp duty revenue on mortgages. Can you tell me what that increase is likely to be?

Mr KIERATH: In the out years the figures are calculated by Treasury, obviously on information we have given them, but they add other things onto it as well. I want to come back to the point you made about stamp duty in relation to the land component. I think you misunderstand what the Minister for Housing expects land values to increase by. I think they are long term.

The explanation we gave you is that the assessment is done on a margin basis. That means that early on in the piece we expect virtually no increase or a minimal increase. It is very hard for us to actually predict it because we do not know when the people bought the land, at what rate and what its current value is now. The GST really does apply to the value they have added. I guess if they have held land for a long time, then maybe the component will be greater. If it has been recently acquired, it would be much smaller. It is a very hard thing to actually predict. We think it will take quite a number of years for the land supply to flow through the system, bearing in mind land supply might take 10 or 15 years to flow through the system. I think relating back to land values, it is going to be a very slow process to increase by that amount that you seized on by the Minister for Housing, although I must admit he has not given me that figure.

Mr RIPPER: Your own forward estimates show land tax revenue increasing from \$209.5m in 2000-01 to \$256.6m in 2003-04.

Mr KIERATH: I have also explained to you what we do. We have modelling. We put those figures into it. We put them in to Treasury and the out years are calculated by Treasury.

Mr MacLEAN: Still on page 1296, "Issues and Trends", dot point 8 is, "Maximising the use of departmental resources". In what areas can there be a maximising of the resources and will this allow the department the opportunity to sell its resource skills and have a revenue-raising venture? If so, where is that reflected in your budget figures?

Mr INTINI: I will deal with the first part of the question; that is, the maximising of the use of departmental resources. What we are talking about are our physical resources largely; that is, our people and our computing system and using those resources to the best available use. We are constantly reviewing those resources to ensure that we can maximise their use. In terms of raising revenue, we recoup some costs. To give an example, we collect moneys from the Indian Ocean Territories on behalf of the Commonwealth and we recoup those costs. They are not a large component of our operation though.

Mr MacLEAN: By maximising your resources, will you have the opportunity to go out and tout for work? Is that why you are maximising your resources? Are you setting yourself up as a provider of a service?

Mr KIERATH: We do not tout for work but we do sell our services. As to computer information collecting revenue, three States have purchased it. That is one case where we developed the programming information system, if you like, and sold it to three other States. I think there are one or two still sniffing around and looking at it.

Mr MILLS: We have actually undertaken the collection of the Perth parking licence fee system on behalf of the Department of Transport because our system enabled that to be done at a lesser cost and also a quicker implementation than would otherwise have been the case if the Department of Transport had undertaken to develop a system on its own. That was an example for the betterment of Government and the whole of Government, for which we actually obtained a service fee as well.

Mr RIPPER: I note from the Economic and Fiscal Overview on page 47 the following quote -

Port Authorities will become liable for land tax from 1 July 2000, adding around \$3.2m per annum to taxation revenue.

That is on page 47 of the Economic and Fiscal Overview. Through the public non-financial corporations we have the State in effect paying taxes to itself. Can we perhaps as supplementary information have provided to us the total amount of revenue collected from the public non-financial corporations through land tax, stamp duties and the other revenue collections which you might make? How much tax is the State paying itself through this mechanism? It is interesting to note of course that no doubt the Port Authorities will in effect pass this land tax imposition on to the users of ports so they will be the ones who will eventually bear the impact of this change in State Government taxation arrangements.

Mr KIERATH: I am going to be introducing legislation later on this year. I think that is probably the time to have the debate then. When that comes forward, that is the time to do it. This is flagging that as an intention. I think we have to go back a couple of steps. When we corporatised the Port Authorities, the intention was that they would operate corporately without an unfair advantage against anybody else who was operating, say, a private port. A private operator would pay those things such as land tax. In order to make sure that it was a level playing field those statutory authorities, and in this case particularly the Port Authorities, should be required to pay land tax. There was actually no dispute from the Port Authorities that they should.

It is not about the Government paying a tax to itself. It is about imposing on them who are operating in the corporate world and perhaps in some ways in the private sector the same constraints that would be added to a private company operating. That is the purpose of those provisions. What I have been able to ascertain is that when I actually went through the Port Authorities in many cases a lot of the land they currently have is leased out. That land that is leased out is already paying land tax as a result of those leasing arrangements.

[1.20 pm]

Mr RIPPER: Can you indicate whether as supplementary information you can provide the total amount of revenue collected by State revenue from a public non-financial corporation?

Mr KIERATH: I know that when I was developing approvals to do the land tax, there was some difficulty in assembling that information. Given the time frames, I do not know what resources would be required to deliver it. I would much rather you, say, put a question on notice and I will endeavour to get it answered as quickly as possible. I would endeavour to answer it within the same time frame that I would a supplementary.

Mr RIPPER: That is not a bad offer except I cannot put the question on notice until Tuesday week.

Mr KIERATH: You can put the question on notice now.

Mr RIPPER: Can I send it through?

Mr KIERATH: You can fax it through to my ministerial office. I will treat it the same as if I received it there and then.

Mr RIPPER: Excellent.

Mr MacLEAN: Page 1301, "Major Achievements for 1999-2000", dot point 4 is "Introduction of a Wellness program to better manage staff sick leave usage and improve well-being of staff generally." Could you explain that program and the benefits that the department will derive from that program?

Mr INTINI: It is a two-part thing. Within the department we want to tackle the level of accruals in terms of leave as well as our sick leave. We want to reduce sick leave that is taken. In the case of the sick leave the initiative has incorporated a range of activities. We have introduced a new policy which has streamlined the way in which people have to report their sick leave. We have also entered into a range of other activities where the health of staff is assessed. The results of this program alone have already shown that our sick leave rate has actually halved that which existed some six months ago. That is what it is running at at the moment so as you can see it is certainly an outstanding success to date. In terms of the accrued leave situation we are certainly tackling that and our results have shown that we have reduced that significantly to date.

Mr MacLEAN: That means as a corporation entity you are now encouraging staff to become fitter, supplying health checks, supplying them fitness regimes, etcetera, and encouraging interdepartmental sporting activities and that type of nice stuff.

Mr KIERATH: I do not know that it has gone outside the department yet.

Mr MacLEAN: Intradepartmental sporting.

Mr KIERATH: Certainly some of those things are being implemented and that is really the result that they are getting so far. They are just basically taking a much more proactive approach for managing their sick leave and it has had early very promising and encouraging results.

Mr MacLEAN: Excellent.

Mr RIPPER: Minister, on page 1315 there is an item "Stamp duty on insurance policies". Insurance policies are lumped together and there is also no information for the out years. Can you tell me how much is expected to be collected from stamp duty on workers compensation insurance premiums for each of the years 2000-01 to 2003-04? You may need to provide that information as supplementary information.

Mr KIERATH: I think, given the details, I would ask you to put that on notice. I will make the same offer that I did before.

Mr RIPPER: Mr Chairman, given that I have been asked to put that question on notice and do not have an answer, can I proceed to another question? Minister, the Economic and Fiscal Outlook on page 206 has a summary of major tax and royalty expenditures. These represent the revenue foregone as a result of a number of concessions. This Government introduced the corporate reconstructions exemption for stamp duty on conveyances. The figures here show that that exemption introduced by this Government cost taxpayers \$67m in the last three financial years. That is an enormous expenditure to benefit a small number of corporate operators. Does the Government still consider that that concession is justifiable? How much is expected to be lost through that concession in the forthcoming financial year and in the forward estimates for the out years?

Mr SULLIVAN: Again I guess we would make the point that these numbers are Treasury numbers, but certainly what is being pointed to is not the total stamp duty that is assessed or waived. It is a Treasury estimate of the cost involved in terms of revenue foregone, if I could just make that distinction, and it was made at the time that the legislation bringing this into being was made in that prior to this exemption being in place a number of corporate reconstructions did not proceed because of stamp duty being a barrier. A number, however, did proceed notwithstanding the stamp duty barrier. What we have now is a regime where subject to certain constraints - the primary one being that the beneficial ownership of the assets does not change - we have a situation where stamp duty is exempted by the Commissioner on certain transactions. The cost to Government is not equivalent to the amount of stamp duty exempted, the argument being that with the amount of stamp duty exempted, a number of those transactions relating to that would not have proceeded in the absence of the exemption.

Coming back to your question here, the numbers themselves are Treasury numbers. I am afraid we do not have a basis for them, but they would be Treasury's view of the actual cost to Government associated with the transactions that would have proceeded that have accessed the exemption. I believe Treasury have a proportional estimate based on the history prior to the corporate reconstruction relief being given, whereby a number of corporate entities had come to various Governments over a period of time seeking act of grace relief in relation to stamp duty and their information on those who did come where it was knocked back yet proceeded, as a proportion of those who ultimately did not proceed.

Mr RIPPER: If I may comment, I think that explanation points to the fact that the figures are conservative. These are not the gross figures for stamp duty foregone. These are the actual costs taking into account behavioural changes. The Economic and Fiscal Outlook says, "Where possible the estimates of revenue foregone take into account likely behavioural changes if the concessions were withdrawn." These estimates here are the revenue foregone for the ones that Treasury thinks would have gone ahead even if the concession had not been available. We have lost \$67m in the last three financial years as a result of Max Evans introducing his special concession for corporate reconstructions. I understand that these are Treasury figures and you cannot provide the estimates. Perhaps the minister will ask me to put them on notice, but I would like to see an estimate for how much we are expected to lose or forego in the next four financial years.

Mr KIERATH: I think you are wrong. I think the figures have been provided as if they had all occurred and I think the explanation that Mr Sullivan gave you is the right one. Not all of those transactions would have occurred had the concession not been there.

Mr RIPPER: "Where possible the estimates of revenue foregone take into account likely behavioural changes if the concessions were withdrawn." It is black and white.

Mr KIERATH: I do not agree.

Mr TRENORDEN: Minister, page 1301 talks about the Web site, "Central platform for future electronic commerce initiatives," and I think somewhere over the page I saw another reference to it. The point I want to make is: are you moving to a situation where people can not only pay online but also do their return online? I have seen that done in several States in the United States, but are we in a position to have people do electronic submission as well as electronic payment?

Mr INTINI: We are currently investigating the option of certainly paying by return and submitting a payment over the Internet. It is a pretty ambitious project because there are some technology issues associated with that. Making payments over the Internet, the technology is only really catching up with us now whereby that can be done securely and in a tax environment we are cautiously moving that way, but certainly over the next year we are going to have a close look at the payroll tax system to have a look and see whether that can be paid and the returns submitted over the Internet.

[1.30 pm]

Mr TRENORDEN: Compliance-wise, Minister, it would assist business greatly. I actually saw Washington State where

with nearly every State revenue you just do it online, so it obviously can be done, but I can understand some of the Signature Act, that is to guarantee the payment, but I think they are days after or months away, certainly not years away.

Mr INTINI: Where a tax is simply paid, where you are just paying a tax and it is simply a bill, the opportunities for using the Internet are greater, but where you are submitting information associated with that payment, it becomes more complex, and payroll tax is like that where we are acquiring information associated with the payment -

Mr TRENORDEN: I do not want to cut in but the Washington tax was the same. It was a self-assessment and you, as the responsible agency, always have the right to reassess, but what they had was a self-assessment process. You made your self-assessment, submitted it, submitted it with payment, and obviously it was either checked or not checked by the receiving agency. I think the other point I noted here was land tax.

Mr KIERATH: We are dealing with an issue at the moment. We are looking at whether at least a fair component of land tax could be paid electronically. There are some difficulties, not the least of which is the commission.

The CHAIRMAN: Minister, you are talking credit card commission?

Mr KIERATH: Yes, which we had held back until the Government contract had been renegotiated and I think the rate set in that is 1.2 per cent. I am actually working on a submission now that I will put through the proper processes to develop a system for paying most of land tax anyway, probably not all of it but certainly most of it, by credit card.

Mr TRENORDEN: You could also do it by the banking system, I presume.

Mr RIPPER: Can I just clarify that? The Government is paying 1.2 per cent on every card transaction?

Mr KIERATH: No, I do not know that they are paying 1.2 per cent on every credit card transaction.

Mr INTINI: There is a whole of Government contract that has been negotiated at a particular rate, and I am pretty sure it is 1.2 per cent, and that is the rate that is applicable to credit cards. That is the merchant services fee.

Mr RIPPER: Anyone who pays a State Government bill, the State Government has to pay 1.2 per cent on that if they use their credit card?

Mr INTINI: Yes, that is right.

Mr KIERATH: That has been the reluctance to go down credit card payments in the past, because we have large streams of revenues to pay that commission which we currently get by other means. The dilemma is to make it convenient for people to pay, but when we make it convenient for people to pay we lost a bit of revenue and that is one of the dilemmas in getting approval for these.

The CHAIRMAN: The commercial rate to normal merchants is between 2 and 5 per cent depending upon turnover, so Government is getting a pretty good deal in general terms.

Mr KIERATH: A blue chip deal.

Mr RIPPER: Minister, can you tell us what the GST compliance costs have been for State revenue? I think they would need to be divided into implementation costs and ongoing costs in each financial year.

Mr KIERATH: So far the cost is minimal because it has been absorbed in the existing resources.

Mr RIPPER: There has been a cost. Something has to give.

Mr KIERATH: Not really. At the moment it has been absorbed within the financial services area so there has been no direct cost, no additional cost. It is a one-line budget that has been incorporated inside the eight.

Mr RIPPER: That is the only answer you can provide?

Mr MacLEAN: Page 1297, Minister, payroll tax assessment. What has the department done to explain the effect of GST on payroll tax assessment?

Mr KIERATH: Payroll tax is GST-free.

Mr MacLEAN: Is it? That is not what one of the people on the other side said.

Mr KIERATH: How much further can I say except payroll tax is GST-free? How do you elaborate on that?

The CHAIRMAN: You were looking with anticipation in my direction.

Mr RIPPER: The economic and fiscal outlook on page 206 indicates that the cost of the principal place of residence exemption for land tax application has increased from 151m in 1997-98 to \$172m in 1999-2000. There were changes to this exemption in September 1994. I quote from *Hansard* -

The second measure extending the principal place of residence exemption relates to land owned by a private company where a shareholder acts as a trustee.

Can the minister give us an indication of the extent to which that September 1994 extension of the exemption has increased the cost of the overall exemption? What is the cost of that particular measure in this current financial year 1999-2000 and what is the expected cost in the out years?

Mr KIERATH: I will have to ask you to put that one on notice. Perhaps I could have some luck with another question, Mr Chairman.

The CHAIRMAN: Minister, if I can just ask a quick question. Page 1301, the second-last dot point introduced a toll-free telephone facility for country callers. Thank you for that, being a country member of Parliament. Can I just double-check to make sure that you will actually have that toll-free number listed in the country telephone book, because some agencies go to the trouble of having a toll-free telephone number and then they do not tell anyone about it?

Mr KIERATH: It will be in the next issue of the country telephone book. I can give you the number, 1300 368 364, but we are trying to actually promote it ahead of that telephone book coming out, which I think is due out next year.

Mr TRENORDEN: Are we going to have the Valuer General in?

Mr RIPPER: I refer to page 1315 which shows that payroll tax in 1999-2000 is expected to be only slightly higher than it was in 1998-99. Can we have an explanation for this given that employment was meant to have grown by 3 per cent in 1999-2000? Is not the lack of collection of payroll tax due to the fact that we have a much more restricted definition of "employee" than applies in other States? What would be the impact on payroll tax collections if a broader definition of the concept of "employee" was used as it is apparently in other States?

[1.40 pm]

Mr KIERATH: I am just looking at the definition of "employee". On the issue of payroll tax, we have actually had an erosion of our payroll tax base for a couple of reasons. One of the biggest payers of payroll tax was the mining industry and with a downturn in some of those commodity prices in some areas of the mining industry, we have not seen the growth that we otherwise would have expected. In fact some of those companies have either downsized or, I think with some of the goldmining, shut up operations and so there has been a drop in that. As well where you have some of the bigger companies restructuring their workforce and, if you like, contracting out a lot of the services, inevitably that contracting out goes to firms that are smaller and do not pay the payroll tax, so one of the interesting aspects of making a much more flexible workforce and the contracting out of some of those services is actually an erosion in the payroll tax base.

Mr RIPPER: Are you proposing any measures to repair the base?

Mr KIERATH: Obviously we figure the best way to grow the base in the longer time is to develop the right environment for the minerals and mining industry to expand and I believe there are a number of projects listed for later on this year that we expect will take off and we expect that certainly to come through and make up for some of the downturn that we have at the moment. The issue of contractors has been with us for a long time. There is actually no indication that a massive turn to the use of contractors is behind the payroll tax revenue downturn, but from our major investigations the indications are that it is where various major employers have downsized, particularly the mining industry.

Mr RIPPER: Is there any indication from the advice you have that there is a problem with our definition of "employee" in this State?

Mr SULLIVAN: We do not actually define "employee" within the Act. What we do rely on is an employer-employee relationship for a person to be brought within the ambit of the payroll tax legislation.

Mr RIPPER: We define the relationship, do we?

Mr SULLIVAN: Yes. In terms of contractors, some other States have specific provisions in relation to contractors. This State does not. We would generally capture a range of them either through out employment agent provisions or in some cases because they have been prescribed within the legislation to be brought within the payroll tax net. What we are mindful of and certainly our audit people are always mindful is that people are not trying to hide an employer-employee relationship behind a contractor arrangement, so it is something that is actively monitored on an ongoing basis.

Mr RIPPER: Is our payroll tax base in terms of the employer employee relationship aspect of it a narrower base than that used in other States?

Mr SULLIVAN: That is a difficult question to answer because it really comes down to how the other States are administering their legislation. Certainly there have been moves in Western Australia over the last year to clarify the situation in this State. There has been a payroll tax ruling that has been put out and that was put together in conjunction with peak bodies such as the Law Society, etcetera. In terms of the other States, their provisions are interestingly designed. They have a number of tests associated with whether someone is a contractor who is brought within their net and obviously the game there is to ensure that you design your employment arrangements in such a way that you step outside of those tests. To say whether our provisions are broader or narrower, I think, is far too difficult an assessment to make.

Mr MacLEAN: Mine is a simple one, Minister. It is page 1304, Outputs. What are the administrations costs for the First Homebuyers Scheme?

Mr INTINI: The cost in 1999-2000, which is largely set-up costs of course, is \$826 000 and in the year 2000-01 will be \$1.257m to administer. In 2001-02 it will be \$717 000. That is reflective of the ongoing cost. What this does not include is any promotional costs which are looked after by the Ministry of Housing. It does not include the cost of the grants given out, of course.

Mr MacLEAN: In proportional terms the cost of administration compared to the total value of the grants is quite low, is it not?

Mr KIERATH: Yes. The ongoing cost, other than the set-up, is less than \$1m in a base of about \$119m growing to \$120m odd in future years, so it is a very small component.

Mr RIPPER: The advertising campaign has been running for a while now. Have you had already applications for the grant which are unfortunately ineligible because of the need for the property to be purchased after 1 July? Is the department already receiving ineligible applications?

Mr SULLIVAN: As you are probably aware, the legislation is required before applications can be made. The legislation was third read in the Legislative Council yesterday, so we actually do not have operative legislation under which a person could apply. The terms of the legislation are such that they cannot apply until on or after 1 July 2000.

Mr KIERATH: In other words, they would have to manufacture their own application forms if they want to apply before then.

Mr RIPPER: You have not had any letters or anything like that from people saying, "I have bought a property. I have seen the advertising. Can I have my money?" Minister, do you have an estimate of the cost of tax avoidance from State taxes in this State? You have a whole range of State taxes. Do you have any idea of what has been lost to State revenue as a result of tax avoidance?

Mr KIERATH: Obviously if we are aware of any tax avoidance issues, we move to close them. We moved to close one such thing and I think it was corporate restructuring. That was done by press release by the former Minister for Finance in October of last year, so if we are aware of any avoidance mechanisms, we move extremely fast, even to the point of issuing a press release and issuing legislation that has a retrospective component back to the date of the issue of the press release. The only thing I can remember off the top of my head out of that is, I think there was one company that attempted to avoid it despite the announcement of legislation. That was about \$750 000, from memory, of that order anyway, and that is the only one that we are aware of. That means it has been pretty good because when we issued the press release, it has actually influenced the behaviour of most of the corporations.

Mr RIPPER: On page 206 of the Economic and Fiscal Outlook, there is an exemption from payroll tax for apprentices and trainees that is estimated by Treasury to cost \$6m in each financial year. That seems to me to be perhaps a guesstimate because it is just a flat \$6m for each financial year. Can you give us any idea of what the cost of this exemption per apprentice or per trainee is?

[1.50 pm]

Mr KIERATH: No, we would have to provide that information to you so perhaps you can give me that on notice. I might add that was an initiative that I moved originally when I was in Opposition.

Mr RIPPER: Again there is a payroll tax exemption or royalty tax expenditure because of the non-grossing up of fringe benefits. This costs us about \$13.5m. This is at page 206 of the Economic and Fiscal Outlook. Non-grossing up of fringe benefits into the payroll tax base costs the State revenue \$13.5m. I can understand that in a regional area where the fringe benefit is a house or something like that. Can you give us an idea of how much of that \$13.5m foregone relates to regional Western Australia and how much relates to metropolitan Western Australia?

Mr KIERATH: We cannot give that to you now so again I will ask you to put it on notice.

Mr RIPPER: I will be filling up the notice paper with questions on notice as a result of this particular session.

Mr KIERATH: I repeat my offer. If you fax them over to my office, I will treat them as getting them immediately and start work on them.

Mr RIPPER: Yes, I would appreciate that. I have one final question. I refer to page 1305. It shows that the average cost per diesel fuel subsidy will be \$166 in 2000-01. Will the State be actually continuing with some diesel subsidy arrangements in 2000-01? I thought those arrangements were taken over by the GST. Finally, will the State play any role in the new grants scheme that the Commonwealth Government said will be introduced as a result of its attempts to ensure that country petrol users are not worse off as a result of the GST?

Mr SULLIVAN: Turning to the second part of your question, no, the State Revenue Department will be playing no role in the administration of the Commonwealth scheme. In terms of what the State will be doing in terms of our existing diesel subsidy scheme there will be costs incurred in 2000-01 on two levels. The first level is in terms of the administration of payment in that whilst the scheme is being shut down in relation to fuel supplied after 30 June, licensees will still be able to make claims for subsidies in relation to fuel supplied prior to 30 June but where the claim is made after. We would expect that we will be making payments, albeit in a decreasing number, through to December and I think the figures in terms of expenditure on that item reflect that. An amount, I think, of about \$21m is expected to be paid in this financial year coming in relation to fuel, but it relates to subsidised fuel supplied prior to that date.

The second level at which costs will be incurred is in relation to compliance. The department will be continuing on with compliance activity to ensure that payments that have been made were made correctly and clearly when the scheme shuts down, that compliance will continue on in relation to payments that have been made to date to ensure that there is a degree of confidence that is expected of us ensuring that.

Division 62: Valuer General's Office, \$7 790 000 -

Mr Masters, Chairman.

Mr Kierath, Minister for Planning; Heritage; Minister Assisting the Treasurer.

Mr R. Williams, Valuer General, Valuer General's Office.

Mr G. Fenner, Chief Valuer, Valuer General's Office.

Mr TRENORDEN: Minister, I have a particular interest in the valuation given at the Oakajee site; not particularly because it is Oakajee but the process that you go through in establishing a valuation. In my own case it will be the Avon industrial park. There will be other examples where you take a piece of country - and Oakajee and the Avon industrial site were farmland - and you go out and do an evaluation. In the Oakajee situation, from memory, there are some millions of dollars' difference once you establish it as an industrial park, being exactly the same land as rural land which is an artificial, in my argument, inflation of the cost of the process.

The CHAIRMAN: Question, member.

Mr TRENORDEN: I am trying to establish the process which the Valuer General goes through. Do you have any comment about it?

Mr WILLIAMS: I suppose the starting point is that you start with it as rural land and then you look to the potential of that land and take into account the increased value as a result of the potential that is created by the type of development that is occurring or is likely to occur in the district. In areas like Oakajee or Northam we would obviously have to look at rural land which has become industrialised, like we have done towards Bunbury, and the effect of the increase in value as a result of that potential.

Mr TRENORDEN: Is it factual that in the Oakajee case you immediately got a complaint by the developers because they were expected to pay the cost of the evaluation? Did that occur?

Mr WILLIAMS: Basically in relation to Oakajee you are looking at a couple of alternatives. You are either looking at a return on the investment that the Government has placed in the land and in making it up to industrial land by bringing the roads and services in or you compare it with Narngalu or areas like that which are already industrial land. You have to compare as near as you can like with like. Oakajee and those areas are not easy to determine. They are very difficult, but obviously you have to look at evidence that is available for land which is moving in towards the industrial potential.

Mr TRENORDEN: Minister, not to delay the process, if I could just ask a question. What do you see your role in those circumstances? Just take Oakajee, for example.

Mr WILLIAMS: The first thing we need in relation to the valuation of land are clear instructions on the basis upon which we are to value it. If we are to value it on the basis of its replacement cost, we need to know that. If we are to value it on the basis of rural land, we can do that. I prefer it to be left to us to determine the correct basis to value land and if, as a result of that valuation, the Government determines or someone determines that it should be sold on its rural basis, we will provide the rural value which will determine the difference.

Mr TRENORDEN: I think it is an impasse and that is the way the instructions should be.

Mr WILLIAMS: Yes, instructions should always be clear as to the basis upon which the land is to be valued if it is different to its normal market value.

Mr RIPPER: On page 1467 I refer to output 2 which is described as "The provision of an independent and impartial property valuation and consultancy service to Government, Local Government and statutory clients for a variety of reasons, including sale, purchase, lease or compensation, stamp duty assessment, financial asset management and reporting." Can we be advised what value the Valuer General has put on King Edward Memorial Hospital, the site and the site and the buildings?

Mr WILLIAMS: We have had no instruction to value the hospital for the purpose of sale. There is a value in the Government property register which is based on its current use as a hospital. That could be quite different to what it would be valued at if it were to be sold as an empty hospital which might be for different purposes. We have had no instructions at this time to value the hospital.

Mr RIPPER: Can we have an indication of what value is currently in the Government property register for the hospital?

Mr WILLIAMS: I can provide that as a supplementary.

Mr RIPPER: I have a follow-up question, Mr Chairman. The answer might be the same. What is the current value of the Shenton Park Rehabilitation Centre?

Mr KIERATH: On the property register?

Mr RIPPER: If you have received instructions to value it for sale, I would be very interested in that as well.

[2.00 pm]

Mr WILLIAMS: I have, as far as I know, received no instructions to value the property for sale. As it is in Government hands, there would be a value in the Government property register.

Mr RIPPER: Minister, can we have that as supplementary information as well?

Mr KIERATH: Yes.

Mr TRENORDEN: Minister, I would just like the Valuer General to give a quick run-down on how things progress to annual valuations. Is that now running smoothly?

Mr WILLIAMS: For land tax purposes we are carrying out annual values. They are running smoothly. We used to provide them to the Commissioner of State Revenue by the end of March. We are now providing sufficient evidence to set the appropriate rate in the dollar by the end of January. We are slowly bringing that completion period forward. There always will after that be some changes as a result of zoning changes and we will keep changing the values as time goes on. A good example is Melville which has just had a new town planning scheme in force.

Mr TRENORDEN: Then you have to go over the whole process again.

Mr WILLIAMS: We have to redo the values

The CHAIRMAN: Members, we have run out of time, I am sorry. Thank you very much, Minister. You have had a long day. Thank you, members, who have attended, and thank you also for the patience of the advisers.

Committee adjourned at 2.02 pm
