

EAST GREEN RESIDENTIAL DEVELOPMENT — FRASERS PROPERTY AUSTRALIA

831. Hon TJORN SIBMA to the minister representing the Minister for Housing:

I refer to the state government's 2017 partnership agreement with Frasers Property Australia for the East Green residential development, which has delivered zero lot sales and zero new dwellings in two years.

- (1) On what date did the Department of Communities enter into this partnership agreement with Frasers Property Australia, and who within the government approved the agreement proceeding?
- (2) Noting that the exceptionally poor outcome of the residential development has been attributed by the minister to "extremely difficult market conditions", what market analysis was undertaken and by whom prior to the Department of Communities entering into the agreement with Frasers Property Australia?
- (3) How much has the state government spent on this project to date, and what are the associated items of expenditure and their amounts?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question.

- (1) In May 2011, the then Minister for Housing in the Liberal–National government, Hon Troy Buswell, MLA, approved the Housing Authority's purchase of the site for \$7.71 million. In September 2011, an expression of interest was released to the market, with three respondents being invited to further respond to a request for detailed proposal. Australand—now Frasers Property Australia—was selected as the preferred proponent in July 2013, and in May 2014, a heads of agreement was executed to enable commercial terms to be negotiated and the structure planning process undertaken. A development management agreement between the Housing Authority and Frasers Property Australia was executed as a deed on 24 November 2015. Western Australian Planning Commission approval was received in February 2016 and the then Deputy Premier, Hon Liza Harvey, MLA, turned the first sod at the site in December 2016. At the time, the then Minister for Housing—the last of the seven housing ministers in the previous government—Hon Brendon Grylls, MLA, said that the government and Frasers Property Group had worked closely with local residents and the council to ensure that East Green would add value to the community.
- (2) Market analysis was conducted by Australand—now Frasers Property Australia—as part of its submission for the request for detailed proposal process. The initial launch of the project occurred at a time in the market cycle when property values within the surrounding greenfields developments and the existing market were declining. It is unfortunate that the previous government was unable to progress the development when the property market was booming and it is another example of a missed opportunity.
- (3) Expenditure so far has been \$8.52 million, with \$7.865 million having been used for land acquisition and other costs, and the remaining \$650 000 having been project development and planning costs. The vast majority of that expenditure was in the term of the previous government.