

SOUTH WEST DEVELOPMENT COMMISSION - ANNUAL REPORT 2006-07

5622. Hon Nigel Hallett to the Leader of the House representing the Minister for South West

- (1) Page 62 of the Annual Report for 2006-2007 of the South West Development Commission shows a disposal of land valued by the Western Australian Land Information Authority (Valuation Services) at \$1 025 000, as at 1 July 2006. Page 59 shows the proceeds to be \$501 000, creating a loss in the accounts of \$524 000. Page 68 states that this loss is, 'associated with the sale of land to the Bunbury Port Authority'. Could the Minister please explain what happened between 1 July 2006 and the sale date to reduce the value of the land by more than half?
- (2) If the land was sold under value, why was this the case?

Hon KIM CHANCE replied:

- (1) The land area is a part of a total of 16 lots which were the subject of an offer and acceptance signed with the Bunbury Port Authority in 2004. The land was valued in 2004 by the Valuer General at \$1.6 million.

The offer and acceptance, as a condition of sale, required the land be identified as three separate parcels with settlement occurring for each individual parcels in 2004/05 (\$595,000), 2005/06 (\$504,000) and 2006/07 (\$501,000) respectively.

The figure provided on page 59 of the South West Development Commission Annual Report for 2006/07 shows the final parcel of land being transferred at the agreed settlement price of \$501,000.

Page 62 of the South West development Commission Annual Report for 2006/07 refers to the revaluation of the remaining parcel of land following unprecedented growth in land valuations in the area. However, the valuation did not take into account that the subject land was subject to an offer and acceptance with the Bunbury Port Authority.
- (2) The explanation for the reported loss is simply that this remaining parcel of land was subject to an offer and acceptance completed with the Bunbury Port Authority in 2004 and represents completion of the settlement.