

PERRY LAKES REDEVELOPMENT BILL 2005

Consideration in Detail

Resumed from an earlier stage of the sitting.

Clause 7: No compensation payable for Perry Lakes land -

Debate was interrupted after the clause had been partly considered.

Dr J.M. WOOLLARD: Yesterday during debate the minister said she would table the costings for the new facilities, but they were not tabled last night. Will the minister table them now?

Ms A.J.G. MacTIERNAN: What costs was the member talking about?

Dr J.M. Woollard: The costs that the member for Greenough sought for the new basketball, rugby and athletics facilities, project management, demolition -

Ms A.J.G. MacTIERNAN: I have with me documents that provide figures for the projected gross income after sales and the development costs less the cost of the sporting facilities. The sporting facility fund has not been itemised, but it contains a 30 per cent contingency. It is not our view that this is what it will cost; a worst-case scenario has been proposed. I am happy to table the two documents.

[See paper 811.]

Mr C.J. BARNETT: This is the most important clause in the bill, and is headed “No compensation payable for Perry Lakes land”. Last night either the Minister for Planning and Infrastructure, the Minister for Sport and Recreation or the Minister for Local Government and Regional Development spoke about compensation being covered by the payment of an amount to the Town of Cambridge after the development of the Perry Lakes site has been concluded. The bill uses the term “no compensation”. In my view, this will become the fundamental issue of the legislation. As I said before the break, 107 sections of the Land Administration Act that relate specifically to land resumption and the rights of people to proper compensation will not apply under this legislation. The government has spoken about the return of the residual - that is perhaps my word, and not one that the government has used - from the land development to the Town of Cambridge as if that would be in lieu of compensation. The mere fact that the bill includes the word “compensation” in a heading shows that the government and the minister are conscious of the dilemma they face. The compensation laws of the Land Administration Act, which comprise 100 or more years of the land laws of this state, will not apply, and the government will not pay compensation. The government has recognised the problem because it has used that word. It is denying the Town of Cambridge and its ratepayers the right at law for the amount of compensation to be independently determined by due process, whether through the courts, the State Administrative Tribunal or whatever else. All the Town of Cambridge will get by way of compensation is a residual, which the minister refers to as \$50 million but which may be more or less. The only firm figures that the Town of Cambridge was given and that have been made public are those determined in the Multiplex proposal, which valued the gross value of developed urban land at Perry Lakes to be in the order of \$190 million. In that case, the residual that would go to the Town of Cambridge would be in the order of \$110 million. That is a big difference from the \$50 million the government talks about. The \$50 million is not included in the legislation. If no compensation is to be paid, a very strong argument could be mounted for the government to guarantee that the residual be returned to the Town of Cambridge. Why is that not included? Why will the government not guarantee a residual to the Town of Cambridge of not less than \$50 million? I suggest that it will not do that because it may not happen.

If the bill is passed, human nature being what it is will mean that sporting groups and the government will be tempted to put as much razzmatazz into the sporting facilities as possible to make them terrific. There will be a bit more of this, a bit more of that, some back-up facilities and whatever else. The government will be tempted - indeed, there would be a lack of discipline not to - to consume the value produced from the Perry Lakes site. Equally, there will be a temptation for the government to put as much development at as high a density as possible into the Perry Lakes site.

All the normal checks and balances that underpin property rights and land law in this state are being wiped away by the minister. That is what is wrong with this legislation. The government is suspending not only the right of the property owner, the Town of Cambridge, to receive due compensation and for that to be determined through a proper administrative or court process, but also the entitlement of ratepayers, my constituents, to due compensation. The government is wiping away a democratic right. It is wiping away at least 100 years of law in this state and centuries of common law and statute law relating to property rights. Members opposite think it is fine to do that in the name of expediency. However, it is not fine. It is not fine to me. In every respect, it is a

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second-best approach. An issue needed to be dealt with. Every member of the house agrees with the need to build sporting facilities, but we do not agree with wiping out people's property rights.

Ms A.J.G. MacTIERNAN: I have explained this at length, so I do not propose to go over it ad nauseam. It is clear that we are confronted with an unusual situation, so the government has tailored a response and a legislative framework to capture the issues of concern. It is true that compensation, as it is normally known under the Land Administration Act, is not payable under this arrangement. However, we believe the bill provides greater security to the Town of Cambridge, because one of its concerns was to maximise its return from the land rather than the return that someone else got. If we had gone down the normal resumption path, there would have been a great deal of uncertainty about the actual value of the land and how it should be valued; that is, whether it should be valued as urban deferred and whether an urban deferred value would be less than an urban value, particularly given that an urban deferred zoning could be lifted only when alternative facilities had been provided. There would have been an enormous amount of uncertainty for both the state government and the local authority if we had gone down the LAA path. We decided to put in place a very different structure that more closely follows the needs of both the state government and the Town of Cambridge but not necessarily of the legal profession, which would perhaps have made a fortune if this uncertainty had remained.

The legislation needs to be read as a whole. Part 4 clearly sets out that the proceeds of the sale are to go into a trust fund. A finite, clearly defined number of subtractions can be made from that account. To call that just a residual is to completely misunderstand and misrepresent the process and the likely outcomes. As I said last night, we have received two valuations for the potential ultimate land sales from this site on a 213-lot scenario, which is a smaller scenario. The private valuer, Egan National Valuers, nominated a total gross income of around \$170 million. If we deducted even the worst-case scenario for the sporting facilities, which includes a 30 per cent contingency, there would still be a return of \$67 million. The valuation of the Valuer General includes a sales value for the lots of \$204 million, with a total return to the Town of Cambridge of \$99 million. Those documents have been tabled. The sums that we have included are the worst-case scenario for the construction of the facilities. It is very likely that were we to go down the LAA path the compensation would be considerably less. One advice that we have received from the Valuer General suggests that the in globo value of the land if we were to resume it would be \$56 million. Therefore, I truly believe that it is not in the interests of the Town of Cambridge for us to go down the LAA path, nor is it in the interests of the state government, just because of the amount of uncertainty and almost certainly the amount of litigation and argy-bargy and the feeling that somehow or other we will take a developer profit out of this. What really stuck in the craw of a number of councillors in the last business case that they developed was that Multiplex would have made some profit out of it. That really irked them. We do not want the council to accuse us of making any profit out of it. Hence we have gone down the trust fund path, because we believe that will provide greater certainty and also a greater financial return to the town.

Mr G.M. CASTRILLI: I thank the minister for that explanation. The minister has just said this is the worst-case scenario. Therefore, the minister should consider including in clause 7, or somewhere else in the bill, a statement that the minimum return to the Town of Cambridge will be \$67 million. If this is what the minister truly believes will be the worst-case scenario, then why not put in the bill that the minimum return to the Town of Cambridge will be \$67 million as of now, plus anything over and above that, depending on the net profits that may be realised after the development has been undertaken?

Ms A.J.G. MacTIERNAN: I honestly do not think there is any need to do that. The new business plan that the Town of Cambridge put out this year puts the in globo value of the land at \$50 million. The structures that we have put in place clearly limit what we can spend the moneys on. We believe that is the appropriate protection for the Town of Cambridge. We have made it clear that the legislation requires us to make regular financial statements to the Parliament so that people can see what expenditures have been made. As I say, we could have gone down the LAA path. We believe as a state government that, had we done that, we would have stood to make a greater profit out of it. However, given the issues that confront the council, no doubt there would have been an enormous amount of argy-bargy and litigation about what the land value was. Therefore, we believed that was not the proper way to go. The whole idea behind the trust fund is that the council does not want us to take any developer profit from this. We have put proposals to the council. I have twice made an offer to the council that LandCorp buy the whole of the land from the council. However, the council rejected that. I then put the to the council the proposal that we would buy part of the land from the council for its in globo value and there would then be no need to go down this path. However, the answer from the council - to the extent that we could get an answer, because Mayor Anderton on all occasions would not allow the propositions that I had put to council formally, both at meetings and then subsequently in writing, to be considered by the council - was that it was not interested. I find that extraordinary, and not very wise. As I have said, it would have been far easier for us to simply buy the land, either whole or in part. However, that was not something that Mayor Anderton was prepared to allow the council to even contemplate.

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Mr T.K. WALDRON: I support this legislation. However, after listening to the comments of the member for Bunbury, I also want to know why, in light of the fact that the minister has said that the in globo value of the land is about \$56 million, and it will probably be a lot more than that, the minister will not give a guarantee that it will be a minimum of \$56 million. Surely that would give more credibility to what the minister is doing. It would also give some assurances to the ratepayers of the Town of Cambridge and achieve the result that both I and the minister are looking for.

Ms A.J.G. MacTIERNAN: That is certainly not something that we had contemplated, because of this trust fund notion. If it were the case that the Town of Cambridge wanted to sell us the land, then that is certainly something that we would be prepared to contemplate and we would develop it, but that is not something that it has been prepared to do. I have no cabinet approval, obviously, to write a clause into the bill that would give such a guarantee. There needs to be a degree of practicality. We are talking about land sales that are calculated to be worth on one analysis \$170 million and on another analysis \$204 million. Frankly, the Town of Cambridge has to make a decision. If it wants us to take the developer risk, we will buy the land. However, if it does not want us to take the developer risk, we will set up a trust fund. I would have thought it is reasonable to argue that it cannot eat its cake and have it too. It had the chance of selling the land to us. However, it does not want to go down that path. Therefore, we are going down the path in which we will act as the project manager. That is exactly what the council was itself proposing to do, although our concern is that because of the inherent complexities of local government processes, and because of the three-way split on the council, it would never be able to bring that to conclusion. However, even under the system that the council says it is proposing to embark upon, with a project manager, it would not have a guarantee. In all practical reality, there is no likelihood that the council would get anything less than \$50 million. In fact, I suspect it would get a lot more.

Mr C.J. BARNETT: I refer to the minister's second reading speech. I remind the house that a second reading speech is a summary of the intent and content of the bill. It has a legal status and is often used in the courts. Towards the end of the second reading speech the minister said -

It should be recognised that this bill is anything but a land grab, and the Town of Cambridge stands to clear a profit of around \$50 million.

However, in the bill there is no guarantee and there is no mention of the \$50 million. The minister has just thrown out this figure of \$50 million without any substantiation of it in the bill. The second reading speech does not reflect the bill, and vice versa. The residual - it is a residual - may be more or it may be less, yet the minister has put out in the public arena that the town stands to clear a profit of around \$50 million. None of us can find that in the bill. I want to test the sincerity of the minister. I therefore move -

Page 7, after line 21 - To insert a new subclause (4) as follows -

- (4) The State will pay, in lieu of compensation, an amount of not less than \$50 million to the Town of Cambridge.

The minister should support that amendment, because that is what she said in the second reading speech, and that is what she has told the media and anyone else who has questioned her on this matter. Last night during the debate the minister said that the Town of Cambridge will get \$50 million, and probably a lot more. Let us therefore formalise that in this Parliament by passing an amendment that will set in the bill a guaranteed return to the Town of Cambridge of not less than \$50 million. The later provisions of the bill that define what can be spent from the trust fund and how the residual in the trust fund can be disbursed to the Town of Cambridge can remain unattached. However, regardless of what may happen out of the revenues and expenditures of these projects - both the land redevelopment and the sporting facilities - the government, if it is genuine, should at least give that comfort and that guarantee to the Town of Cambridge and its ratepayers that it will get not less than \$50 million.

Mr G.M. CASTRILLI: I support the amendment moved by the member for Cottesloe simply because it adds a level of comfort to this proposal. The minister has made a public statement that the Town of Cambridge will receive at least \$50 million from this project. Therefore, it is reasonable and proper that the amendment be supported. If the minister's statement is sincere, there is no reason not to support the amendment.

I return to my comments of last night. Other scenario models and options of the preferred tenderer, Multiplex, involved a gross sale of \$189 million and a net profit of \$111 million or \$113 million, depending on the option adopted. Looking at those figures, and given that the minister has stated that she is absolutely confident about this proposal, as the worst scenario includes a 30 per cent contingency, which is a higher rate -

Ms A.J. MacTiernan: It is very high. It is not a usual one; it was demanded by Treasury.

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Mr G.M. CASTRILLI: I acknowledge that it is a high rate. Even with the 30 per cent contingency, the proposal still involves a net profit of \$67 million. Therefore, the \$50 million involves a fair amount of comfort for the minister. The contingency rate could be up around 50 per cent; I speak off the top of my head as I have not had the calculator out yet. The amendment is reasonable, based on the scenarios outlined. The member for Cottesloe indicated that the \$50 million requirement would add comfort to the proposal. No risk whatsoever would be involved. The amendment should be supported.

Mr G. SNOOK: I support the amendment moved by the member for Cottesloe. I spoke at length yesterday about the issue of compensation and private property rights. To my mind, there is no difference between a local authority, a corporation, an individual or a collective of individuals in partnership who own private land. Clearly, the Land Administration Act sets out in section 151 through to section 258 the capacities and responsibilities in this area. The house has had this bill for less than a week and it has been brought on as an urgent bill.

Ms A.J.G. MacTiernan: It's actually a week.

Mr G. SNOOK: Yes. The Legislative Assembly has had it for a week. This bill will have a significant impact on other bills and on the principles and protocols governing the state's dealings in acquiring private land. The Perry Lakes Redevelopment Bill 2005 has been brought into Parliament as an urgent bill. We have had it for one week. Members found out this morning that the minister has five pages of amendments on the bill, and two of these amendments are significant in that they delete almost entire clauses of the bill. This highlights the point I have made throughout the debate: members have not been given adequate time to absorb the detail in the bill and its ramifications. This process is just not on. If the minister is so comfortable that a significant net profit will be available to the Town of Cambridge under the structure of the bill - the second reading speech refers to around \$50 million - she would have no problem with the amendment. It appears that the figure the minister cited is pretty right. A contingency of 30 per cent will apply. That land is very valuable. The Liberal Party does not contest the valuation; however, it contests the lack of consideration the bill gives to compensating the Town of Cambridge in its private ownership of land that was paid for by ratepayers; I refer partly to the ratepayers of the current Town of Cambridge, but principally to all the ratepayers of the Perth City Council when the land was acquired many years ago. The capacity of ratepayers to have any input on whether a profit will be generated is to be wiped clean. The bill will clearly delete the ability for Town of Cambridge ratepayers to have a say or control in the planning process on this matter. Clause 7, as amended, will be vital in this legislation. The amendment would build some fairness and comfort into this bill for the Town of Cambridge.

Mr T.K. WALDRON: I support the overall bill, and, from what I have been told at briefings etc, I see no problem with this amendment. If the project will work out as predicted, the guarantee will give comfort to the council and ratepayers, but should not affect the end result. The guarantee will only be called upon if something should go wrong. It is a fair call. I support the amendment.

Ms A.J.G. MacTIERNAN: The council cannot have it both ways; that is, it cannot not want to sell the land and want all the development profit, yet at the same time want all the risk removed. I do not think the amendment poses any difficulty for the government at one level. However, I certainly will not accept the amendment in its current wording because it does not reflect the concept of the bill. It is also a decision that I could not make without going back to cabinet. However, I am prepared to have a look at this matter in cabinet to see whether there is any preparedness to accept something along those lines, and to include it in our negotiations with our colleagues in the Legislative Council. If, indeed, this amendment is necessary or useful in obtaining agreement from the Legislative Council, it is something that the government would consider.

Mr R.C. KUCERA: I remind members opposite who support the amendment that the Town of Cambridge is not seeking guarantees. In fact, the council, under its present model, proposes to take on not only all the risk, but also to borrow some \$40 million to finance that model. Members opposite are asking the chamber to amend the measure in a way that even the council is not proposing. It sounds like a bit of a nonsense. I am happy for the minister to take the amendment away and address it in her role as Minister for Planning and Infrastructure. I ask members opposite to have a little sense about what is before the house.

Amendment put and a division taken with the following result -

Extract from *Hansard*
[ASSEMBLY - Wednesday, 21 September 2005]
p5764c-5774a

Dr Janet Woollard; Mr Colin Barnett; Mr John Castrilli; Ms Alannah MacTiernan; Mr Terry Waldron; Mr Trevor Sprigg; Mr Bob Kucera; Acting Speaker

Ayes (22)

Mr C.J. Barnett
Mr D.F. Barron-Sullivan
Mr M.J. Birney
Mr T.R. Buswell
Mr G.M. Castrilli
Dr E. Constable

Mr M.J. Cowper
Mr J.H.D. Day
Dr K.D. Hames
Ms K. Hodson-Thomas
Mr J.E. McGrath
Mr P.D. Omodei

Mr D.T. Redman
Mr A.J. Simpson
Mr G. Snook
Mr T.R. Sprigg
Mr M.W. Trenorden
Mr T.K. Waldron

Ms S.E. Walker
Mr G.A. Woodhams
Dr J.M. Woollard
Dr G.G. Jacobs (*Teller*)

Noes (29)

Mr P.W. Andrews
Mr J.J.M. Bowler
Mr A.J. Carpenter
Mr J.B. D'Orazio
Dr J.M. Edwards
Dr G.I. Gallop
Mrs D.J. Guise
Mr S.R. Hill

Mrs J. Hughes
Mr J.N. Hyde
Mr J.C. Kobelke
Mr R.C. Kucera
Ms A.J.G. MacTiernan
Mr J.A. McGinty
Mr M. McGowan
Ms S.M. McHale

Mr A.D. McRae
Mr N.R. Marlborough
Mrs C.A. Martin
Mr M.P. Murray
Mr A.P. O'Gorman
Ms M.M. Quirk
Ms J.A. Radisich
Mr E.S. Ripper

Mrs M.H. Roberts
Mr T.G. Stephens
Mr P.B. Watson
Mr M.P. Whitely
Mr D.A. Templeman (*Teller*)

Pair

Mr R.F. Johnson

Mr J.R. Quigley

Amendment thus negated.

Clause put and a division taken with the following result -

Ayes (29)

Mr P.W. Andrews
Mr J.J.M. Bowler
Mr A.J. Carpenter
Mr J.B. D'Orazio
Dr J.M. Edwards
Dr G.I. Gallop
Mrs D.J. Guise
Mr S.R. Hill

Mrs J. Hughes
Mr J.N. Hyde
Mr J.C. Kobelke
Mr R.C. Kucera
Ms A.J.G. MacTiernan
Mr J.A. McGinty
Mr M. McGowan
Ms S.M. McHale

Mr A.D. McRae
Mr N.R. Marlborough
Mrs C.A. Martin
Mr M.P. Murray
Mr A.P. O'Gorman
Ms M.M. Quirk
Ms J.A. Radisich
Mr E.S. Ripper

Mrs M.H. Roberts
Mr T.G. Stephens
Mr P.B. Watson
Mr M.P. Whitely
Mr D.A. Templeman (*Teller*)

Noes (22)

Mr C.J. Barnett
Mr D.F. Barron-Sullivan
Mr M.J. Birney
Mr T.R. Buswell
Mr G.M. Castrilli
Dr E. Constable

Mr M.J. Cowper
Mr J.H.D. Day
Mr B.J. Grylls
Dr K.D. Hames
Ms K. Hodson-Thomas
Mr J.E. McGrath

Mr P.D. Omodei
Mr D.T. Redman
Mr A.J. Simpson
Mr G. Snook
Mr T.R. Sprigg
Mr T.K. Waldron

Ms S.E. Walker
Mr G.A. Woodhams
Dr J.M. Woollard
Dr G.G. Jacobs (*Teller*)

Pair

Mr J.R. Quigley

Mr R.F. Johnson

Clause thus passed.

Clause 8 postponed, on motion by Ms A.J.G. MacTiernan (Minister for Planning and Infrastructure).

Clause 9: Return of part of Perry Lakes land -

Mr G.M. CASTRILLI: Clause 9(1) reads -

At any time before completion day the State may transfer to the Town of Cambridge any estate in fee simple that the State then holds in any part of the Perry Lakes land.

I presume that that will be after the completion of the sporting facilities. I think this formed part of a question I asked during the briefing. At any time after the sporting facilities have been completed, the minister may return any part of the asset of Perry Lakes to the Town of Cambridge, whether or not it is in a completed form. I am not sure what circumstances may arise; however, a situation may arise in which the Town of Cambridge may ask the government to complete the whole development of Perry Lakes. What would be the minister's position in that situation, bearing in mind that she can hand it back after the sporting facilities have been completed?

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Ms A.J.G. MacTIERNAN: The government may well determine to do that. At the end of the day, we are not taking any developer profit from this. If we believe that the town planning scheme is in place and that the council is stable and able to work through the issues, we may determine that it is better to return the remainder of the site to the council. We want to leave that option open because it may well be, for example, that we have completed enough stages of the development from which to fund the facilities and the development costs, but we do not need to proceed with the rest of the development. At that point, we would have the capacity to hand the rest of the land back to the Town of Cambridge.

Mr G.M. Castrilli: If the council requested, would you consider giving back the whole lot?

Ms A.J.G. MacTIERNAN: Of course. The bill provides that the whole land can be returned in that way. However, it also leaves open the possibility that we can hand back some of the land that has not been subdivided before the completion date.

Dr E. CONSTABLE: I need clarification because on the one hand the minister seems to be saying that if the state develops the whole area, at least \$50 million will be placed in a trust fund for the Town of Cambridge. On the other hand - I will use the example the minister quoted last night - if the government developed 120 lots rather than 200-plus lots and it was able to develop the sporting facilities, it may give land back. That is what this clause is about. What will happen to the trust fund if the land is given back? Will the land become part of the trust fund? If so, will the interest from that be used by the Town of Cambridge? The two issues seem to be in conflict, because we cannot have a \$50 million-plus trust fund and be able to give land back.

Ms A.J.G. MacTIERNAN: That is absolutely right. That is one of the difficulties with the notion of the \$50-million cap, because that will preclude us from giving an early return of the land. One of the things we contemplated was that we would do a master plan for the entire area which, for example, could have four precincts, including a rugby and basketball precinct. It may well be that although the master plan is done for the entire area and the government does the major subdivision, there is a staged development. We may accumulate enough value out of stages 1 and 2 to fund all the things that need to be funded and we may want to negotiate with the Town of Cambridge. This clause provides the government with that capacity. We may decide to advise the Town of Cambridge that it can have the rest of the land back. It may be that the trust fund has accumulated between \$70 million and \$80 million, which would be sufficient to fund the facilities, the subdivision, project management and demolition costs to date. It may well be that the old stadium is still on the land and the government may decide to hand it back to the council so that it can do what it likes with it, knowing that an overall structure plan is in place for the entire site. That would be difficult to do with a \$50 million limit, because we would have to keep selling not only to ensure that we cover costs, but also to generate enough cash to pay the \$50 million, which would make it difficult to make an early return to the Town of Cambridge.

Dr E. Constable: What involvement will the Town of Cambridge have in the development of the structure plan?

Ms A.J.G. MacTIERNAN: In the first instance, the proposal is to have a community charette, in which a broad range of residents would have input in the master planning for the area. A draft would be prepared and it would be sent to the council for its comment and, with or without amendments, it would be advertised in the normal way. When all the comments have been made, examined and analysed, a report would be sent to the Western Australian Planning Commission to consider. Certainly I anticipate there being two stages of community consultation. The first is a very early stage in the charette inquiry-by-design style of process. After a draft plan has been developed, that would be sent to the council for its comment.

Mr G.M. CASTRILLI: The minister mentioned a charette and the process of consultation. In running that charette, will the minister run the process only with the residents of the Town of Cambridge? Will the charette involve the people of the Town of Cambridge or the broader Western Australian community?

Ms A.J.G. MacTIERNAN: I do not think it will involve the broader Western Australian community, because it is a localised development site. The catchment might be a little larger than the Town of Cambridge, but fundamentally it would be a sphere of influence around that particular area. As the member knows, many people in the City of Nedlands would be closer to the site than some people who are in other parts of the Town of Cambridge. We have not decided on the boundaries. Although the site has some regional significance, it is not, for example, similar to a site at Cottesloe or a site at Scarborough - I think they are qualitatively different - but we would be looking at a catchment around that area. At this point I do not want to say that we would preclude anyone who did not live in the Town of Cambridge, because I do not think that necessarily forms the boundaries of interest, but it would be more locally based rather than a metropolitan-wide proposal.

Mr G. SNOOK: In light of previous clauses that have completely taken away a lot of the standard provisions of planning and development that a normal developer must adhere to, and taking the point that it will be a staged development - which is the way it would normally go - will all the land in the Perry Lakes site be zoned in globo

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for the overall plan, or will it be zoned for urban development stage by stage? Will the minister give an undertaking that the normal provisions that apply to a development once residential lots are ready for sale and rates are applied by a local authority will apply in this instance?

Ms A.J.G. MacTIERNAN: As soon as properties are developed on the site they will be rateable, and people will be required to pay rates to the local authority. It will be similar to what happens with a redevelopment authority. Although the planning powers will lie in this instance with the Western Australian Planning Commission, ultimately the delivery of local government services and the area will remain within the Town of Cambridge and rates will be payable to the Town of Cambridge. The development of the master plan or the structure plan for the area will be done as a whole for the Perry Lakes site. A single plan will be developed, although it could be a plan that is released in stages. The urban-deferred zoning will be lifted when the contracts have been awarded and construction is under way for the three facilities, because the barrier to lifting the urban-deferred zoning is the certainty that replacement facilities have been provided for.

Mr G. Snook: That is in the AK Reserve?

Ms A.J.G. MacTIERNAN: No, I am talking about the Perry Lakes site. There is urban-deferred zoning only on the Perry Lakes site.

Mr G. Snook: I understand that. My question was that the zoning will apply, once it has been lifted, over the whole lot.

Ms A.J.G. MacTIERNAN: Yes, the urban-deferred zoning will be lifted over the entire site once the facilities on the AK Reserve are under contract.

Clause put and passed.

Clauses 10 and 11 put and passed.

Clause 12: AK Reserve Minister's functions -

Mr T.R. SPRIGG: Can I get some clarification about the timing? I think the sporting organisations have similar timing. It is probably the intention that sports not be devoid of their facilities, albeit dilapidated ones, before the new facilities come on-stream. Will the minister confirm that the intention is that new facilities will be up and running before the old facilities are withdrawn from service?

Ms A.J.G. MacTIERNAN: I can certainly confirm that in relation to basketball and athletics. I understand from the Minister for Sport and Recreation - I have not been involved in the negotiations - that there is some prospect that there might be a temporary location of the rugby facilities. However, until such time as each of the codes is properly catered for with alternative facilities, be they new facilities or an interim arrangement, we will not demolish these facilities.

Mr R.C. Kucera: By way of interjection, so that I can clear this up for the member, we will be opening in the next two weeks - I may be corrected on that - the new Ern Clarke Athletics Centre running track in Cannington, which could be a temporary running site if it is required. Alternative interim arrangements for rugby can be made with the rugby facilities at the University of Western Australia if there is a need, but at this stage we do not anticipate that will be the case. As has been said by the minister, it is more than likely that the basketball players would not be required to move unless we can use Challenge Stadium or somewhere like that in the interim, but there is a cost involved in that and we do not want to impose further cost on the project. At this stage, it is likely that basketball will remain where it is, but there may be an alternative to locate the other two sports temporarily.

Ms A.J.G. MacTIERNAN: It will be done in cooperation with those codes.

Mr G. Snook: They are contingency plans?

Ms A.J.G. MacTIERNAN: Yes.

Mr G. SNOOK: Yesterday the Minister for Sport and Recreation mentioned that there could be additional usages beyond the three identified in the bill. I do not have a problem with that. Time has been of the essence, and I have been going through the provisions pretty rapidly. Can those usages be accommodated under the AK Reserve minister's function anywhere in this clause?

Ms A.J.G. MacTIERNAN: The minister was referring yesterday to a larger vision of the AK Reserve in conjunction with the university land. He was not talking specifically just about the AK Reserve, lot 713. He was talking about the larger complex of McGillivray, Challenge Stadium and AK Reserve, and the possibility of netball, which I think is one the minister mentioned.

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Mr R.C. Kucera: By way of interjection, the other sports bodies, the university and other players have indicated that once certainty is brought to the project, whether it be through agreement or legislation, a number of others involved in sports, such as netball, wheelchair sports, disabled sports and elements of the university sports science programs, have indicated that they are willing to become part of the whole precinct, but that will not occur unless certainty is brought about through this legislative process or there is final agreement on the way forward. AK Reserve forms one part of a very large precinct in which the other players were not prepared to get involved unless we could bring some certainty to the process.

Mr T.K. Waldron: So the facilities that the Minister for Sport and Recreation was talking about will not be included in or have anything to do with the trust fund?

Ms A.J.G. MacTIERNAN: Absolutely not. I make that absolutely clear. I refer members to the provision that relates to what can be taken from the trust fund, which is clause 43(c), (d) and (e), which specifies the sporting facilities that can be funded. The member needs to read clause 43(e) in conjunction with clause 12(1)(b) and (c), because clause 12(1)(b) and (c) refers to basketball and rugby. Funds can be spent only on those three facilities.

Mr T.K. Waldron: I raised the matter only because someone raised it this morning.

Ms A.J.G. MacTIERNAN: I think it was raised by the member for Cottesloe at some point, when he made outrageous and extravagant claims that these facilities could all be funded out of the trust. It is quite clearly specified, and this is one of the reasons that we are legislating. We are legislating because everyone needs to absolutely understand where we stand. It is only by doing that that we will be able to engage with all the other landholders and sporting entities in taking this matter forward.

Mr G. SNOOK: The Riding for Disabled Association of Australia lot backs onto AK Reserve. Is there access to it from AK Reserve or is it from the Challenge Stadium site?

Ms A.J.G. MacTIERNAN: I think the member for Warren-Blackwood raised this point this morning. The member may have been out when we were talking about it.

Mr P.D. Omodei: We did not talk about access, minister.

Ms A.J.G. MacTIERNAN: At the moment they go through AK Reserve. There are Bush Forever issues where they are located. As I have said, a lot of negotiations have been undertaken through the Minister for Sport and Recreation's office and our office. The Minister for Sport and Recreation is also the Minister for Disability Services, so of course he will be making sure that there is proper provision for them. By going down that path we will have more flexibility because we have a grand plan that takes into account all of that surrounding land.

Mr T.R. SPRIGG: Has the proposed new netball facility been examined any further? There would appear to be some economies of scale if that facility were incorporated with the basketball facility. At one stage they did share that facility at the old Perry Lakes site. It would require funds - I understand it could be funded separately - for it to be located in this precinct.

Ms A.J.G. MacTIERNAN: Yesterday the Minister for Sport and Recreation set that up. There has been a proposal to build at Challenge Stadium. I do not know whether the Minister for Sport and Recreation wants to say anything more on it. I do not want to go down too many burrows. This bill does not deal with that. However, by having control over the land, it allows us to do that.

Mr R.C. KUCERA: Discussion has taken place between the University of Western Australia, Challenge Stadium and Curtin University of Technology on the placement of a new administration and boutique training facility for netball. The government will outlay \$5 million for that. Currently that money is being held by the Department of Sport and Recreation. When the legislation is passed, the government will have the capacity to do exactly what the member is talking about; that is, to gain some economies of scale. At this stage the proposal is to add the facilities for netball onto Challenge Stadium. To do that would use the entire \$5 million and more money would probably be required. However, if we are able to work with basketball, UWA and other key stakeholders there may be the opportunity to get the economies of scale referred to. It is not intended that any of the funds for that would come from the sale of land.

The sale of the land is very much restricted to the three facilities that were originally agreed to, not by us, but by the group set up by Hon Norman Moore. We have tried to honour the spirit of that agreement throughout these negotiations. We have not tried to introduce anything new. The only new thing that has been introduced is the escalation in costs, and that will happen with projects of this nature. There has also been an escalation in the value of the land; therefore, it balances itself out.

Mr T.R. Sprigg: I highly recommend that course of action.

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Mr R.C. KUCERA: Western Australian Disabled Sports and Wheelchair Sports WA have suggested to me that if there is the capacity for them to work with UWA and other sports there is no reason that they cannot look towards capitalising on the facilities they have and, again, get that synergy.

The sad thing is that this kind of vision is only possible if there is cooperation and some underpinning legislation. Until now there has been very little cooperation. Initially there was cooperation, but it fell away. I keep coming back to the fact that we have always been open to negotiations with the Town of Cambridge, but it has not worked. Unfortunately, we have reached this stage - I say "unfortunately" advisedly, but it is the only way forward.

Clause put and passed.

Clauses 13 and 14 put and passed.

Clause 15: Certain planning schemes affecting redevelopment area not to operate until completion day -

Ms A.J.G. MacTIERNAN: I move -

Page 14, line 28 - To delete "date" and substitute "day".

This corrects a typographical error.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 16: Certain local laws suspended -

Mr G.M. CASTRILLI: I understand that under this clause the local building laws will cease to apply for development on the resumed land. In the case of a housing development, will it be subject to the local government building laws? Who will take legal responsibility for any claims that may arise from any building problems? Local government has to give approval subject to the Building Code of Australia. Under this clause the building laws are repealed. What will replace the local government building laws and who will be responsible for implementing it?

Ms A.J.G. MacTIERNAN: Any local laws made specifically by the Town of Cambridge are put aside. The underlying legislative regime of the Local Government (Miscellaneous Provisions) Act will still apply to the development. The applications for building licences will be made to the Minister for Housing and Works and they will be assessed in light of the laws set out under the Local Government (Miscellaneous Provisions) Act.

Mr G.M. Castrilli: What is being repealed?

Ms A.J.G. MacTIERNAN: Having been the mayor of a local authority, the member will be aware that, as opposed to the laws that apply statewide, local government has the capacity to make local laws. The local laws are being set aside, not the underlying Local Government (Miscellaneous Provisions) Act.

Mr G.M. Castrilli: Will the local laws that the Town of Cambridge made be repealed?

Ms A.J.G. MacTIERNAN: We are not aware of that. What is important is that these will be facilities and it will be possible that some of them will cover two separate municipalities. Therefore, it would not be appropriate if we were constrained by the Town of Cambridge laws.

Mr G. Snook: Therefore, the local authorities will not grant building approvals or carry out inspections?

Ms A.J.G. MacTIERNAN: The local authority will still have those powers, because it administers the building laws under the Local Government (Miscellaneous Provisions) Act. However, it will not apply specific local laws that have been created. I am referring to the normal statewide laws that are enshrined in the Building Code of Australia etc.

Mr G. Snook: And also the Health Act?

Ms A.J.G. MacTIERNAN: Yes. It is important to understand that this area does not cease to be part of the municipality. For that reason, rates will be payable as soon as properties are sold. All the normal functions will continue to apply when construction occurs. To facilitate this process, decisions about building will be made by the Minister for Housing and Works.

Mr R.C. KUCERA: That point has not been made. Once finished and handed back, the development will be worth a considerable amount annually to the council, which money it has forgone over the past four years because of this debacle. It has been estimated that between \$800 000 and \$1 million in rates has been lost annually. That money has gone and will not come back. The member for Moore is aware from his involvement in local government that once money has gone, it will never come back. It needs to be pointed out to Town of

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Cambridge ratepayers and put on the record that the overall Town of Cambridge rate bill has been deficient to the tune of almost \$1 million a year because of this debacle.

Clause put and passed.

Clause 17 put and passed.

Clause 18: Time for complying with this Division -

Mr C.J. BARNETT: With this clause we start to get to the redevelopment plans. I am particularly interested in the redevelopment of Perry Lakes. The redevelopment of AK Reserve really comes down to the exact nature of the sporting facilities that will be developed. I am confident that the agencies involved will do that well, in conjunction with the sporting clubs. However, the redevelopment of Perry Lakes is a critical issue. I would be interested to hear how the minister intends to determine the amount and density of subdivision that will apply on the Perry Lakes site.

Ms A.J.G. MacTIERNAN: I canvassed this issue when the member was out of the chamber. I do not intend to allow the bill to be delayed just for the point of delaying it. As I said, our proposal is that, in the first instance, there will be a charette or inquiry by design. LandCorp will then be responsible for drawing up a master plan that incorporates feedback and takes into account good urban design principles. That will go to the local government for comment and be advertised in the normal, statutory way, and will then go to the Western Australian Planning Commission for consideration. I expect that the area that intersects with already established suburbs would certainly, at its borders, be developed to a scale that was entirely consistent with the existing residential fabric.

Mr C.J. BARNETT: The minister may have made some reference to my next point, but it is important to me. What formal involvement, if any, will the Town of Cambridge have in that process?

Ms A.J.G. MacTIERNAN: I have described, for the second time, how it would proceed.

Mr C.J. BARNETT: I am not satisfied with that answer. We can stay here for hours if the minister wishes to answer in that way. The minister is being petty after only an hour and a half of debate on this bill, of which no notice was given to the Parliament. She walked in here with three pages of amendments, yet she will not answer the questions of the local member. I am willing to stay here for days and days if that is how she wants to conduct the debate. I want to know what formal role the Town of Cambridge will have. Will the government consult the chief executive officer, the mayor and the council? Will they be given any opportunity to make a formal submission?

Ms A.J.G. MacTIERNAN: I have explained the process to the member. I am more than happy to sit here for hours and hours if the member wants to do that. Part of the problem is that the member has not been sitting here for hours and hours.

Point of Order

Mr C.J. BARNETT: It is a well-established principle of this house that members not refer to the presence or absence of other members. I left the chamber for five minutes of this debate. I resent the implication by the minister that I have not been present. This bill concerns my electorate and my constituents. I have been present for the entire debate but five minutes. The minister would do better in this debate if she showed some courtesy, which for her would be unusual.

Ms A.J.G. MacTIERNAN: I am more than happy to show courtesy to those members who deserve it. Quite frankly, the pompous arrogance of the member for Cottesloe -

Several members interjected.

The ACTING SPEAKER (Dr S.C. Thomas): Members, I am on my feet! I am informed that although it might be a courtesy, the matter raised is not a point of order. We will continue with the debate.

Debate Resumed

Ms A.J.G. MacTIERNAN: In addition to the number of times I have set out the process, I now refer the member to clause 20 of the bill, which states -

A responsible agency that prepares a draft redevelopment plan under section 19 must submit it for comment to the local government in whose district the land concerned is situated.

There will be two development plans: one for Perry Lakes and one for AK Reserve. The Perry Lakes development plan will certainly be submitted to the Town of Cambridge. To the extent that facilities are built

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within the Town of Cambridge, it will be a requirement that development plans be formally sent to the Town of Cambridge for comment.

Mr C.J. BARNETT: Another issue relates not specifically to the planning process but to the use of the land. Who will decide, and at what stage will a decision be made, about whether Homeswest housing will form part of the ultimate development of the Perry Lakes site?

Ms A.J.G. MacTIERNAN: There is no housing apartheid enshrined in our legislation. No zoning in Western Australia stipulates that no public housing will be allowed within it. There have been no discussions whatsoever on this matter. I do not know whether Homeswest would be interested in standing in the market, which it would have to do with other developers if it were to acquire land. It would certainly not be given land, because it is not government land, given the way in which this matter has been conceived. The government is developing the land on behalf of the Town of Cambridge. I have never been made aware of any planning provisions that discriminate against a person for being a public or private tenant.

Mr C.J. BARNETT: The question of tenancy is irrelevant. What is relevant is the ownership of the land. In the information circulated from the Valuer General's Office, the so-called realistic scenario is for there to be 250 lots. It provides an estimate of gross income from sales of some \$204 million from 215 lots. In other words, that is very close to \$1 million a lot. Knowing a little about real estate in the area, that is an unrealistic assessment of the land's value. The government seems to be contemplating putting social housing on million-dollar lots. I have more than 600 Homeswest tenants in my electorate -

Ms A.J.G. MacTiernan: And you don't think public housing should be in the western suburbs. You have said in this Parliament that poor people are not happy living in the western suburbs.

Point of Order

Mr C.J. BARNETT: The minister is impugning me by saying I do not believe Homeswest housing should be in the western suburbs. I have never said that in this Parliament. I have over 600 Homeswest tenants in my electorate, many of whom I deal with on a regular basis. They are good citizens, and I am proud to represent them in this Parliament. I resent the imputation from the minister. However, that is true to form for the minister, and I do not expect her to respond, because I know she will not.

The ACTING SPEAKER (Dr S.C. Thomas): Order! There is no point of order. I will allow the member to continue his speech.

Debate Resumed

Mr C.J. BARNETT: The point I am making is that we are talking about one single Homeswest residential dwelling on a block of land that is valued at just under \$1 million. In my electorate there are many people, often elderly or with a disability, or whatever, who are looking for Homeswest accommodation. That is also the case in many other electorates. This is an absolute abrogation by the government of its social policy responsibilities.

Debate interrupted, pursuant to standing orders.