

Section 82 Notice – Financial Management Act 2006
Legislative Assembly Question on Notice 3135

Pursuant to section 82 of the *Financial Management Act 2006*, I give notice to both houses that I am unable to provide an answer to Part (1) of Legislative Assembly Question on Notice 3135. Notice is also being provided to the Auditor General, as required under section 82 of the *Financial Management Act 2006*. Please see attached Question on Notice 3135 for a description of the information requested.

With respect to the request for advice on the value of the incentives related to the FESA site, I have not included in my answer the associated numerical value. I have considered the public interest in releasing this information, and while the public has a general right of access to information held by government agencies, this right has to be balanced against the need to protect the financial and commercial affairs of the State.

Confidentiality of negotiations is critical in order to maintain the ability for the Government to negotiate the best outcome on future land transactions. If specific incentive values are released the following consequences could result:

- Lower than market return for Government assets.
- Create an unfair commercial advantage for other parties and a competitive disadvantage for the Government.
- Reduce ability to sell land without incentives.
- Reduce ability to attract private sector partners or proponents.

The information requested has not been provided for the following reasons:

It is standard practice worldwide for specific financial and contractual information related to land and property transactions to be kept confidential.

Valuation, negotiation and ultimately transactions for development sites incorporate multiple inputs and assumptions. Location, size, condition, use and other strategic and financial factors ultimately determine the purchase price of a site. These factors are unique to each site, proposed project and to each buyer/seller.

The incentive related to the FESA site was specific to the particular site and proposed project, and provided a higher commercial return to the Government than the independent valuation obtained during the land valuation assessment.

It is not anticipated that Tourism WA will be involved in the release of another incentivised hotel site in the near future. However, Government land development agencies LandCorp and MRA, in their urban redevelopment and revitalisation roles, regularly release land to the private sector for development.

Releasing the value of the FESA site hotel incentive would significantly compromise the ability of the MRA and LandCorp to successfully negotiate land sale and lease transactions with the private sector. Furthermore, the release of the value could have reputational risks and be harmful to current relationships.

The State Solicitor's Office has advised that the value of the hotel incentive should be treated as Commercial in Confidence and both the MRA and LandCorp have advised that the release of the incentive value would negatively impact their ability to negotiate and facilitate development in Western Australia.

This Government takes its responsibility to grow visitor numbers and drive tourism's economic impact very seriously. As such, it safeguards information that may jeopardise the State's reputation and business relationship with investors and developers if made public.

A handwritten signature in cursive script, appearing to read "John Day".

**JOHN DAY
ACTING MINISTER FOR POLICE; TOURISM;
ROAD SAFETY; WOMEN'S INTERESTS**

Att.