

Chairman; Mr Chris Tallentire; Mr Brendon Grylls; Mr Dave Kelly; Dr Graham Jacobs; Mrs Glenys Godfrey;  
Mr Mick Murray; Ms Mia Davies

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**Division 21: Lands, \$19 771 000 —**

Mr I.M. Britza, Chairman.

Mr B.J. Grylls, Minister for Lands.

Mr M. Bradford, Acting Director General.

Mr D. Morgan, Executive Director, Regional and Metro Services.

Mrs A. McAllister, Policy Adviser.

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

It is the intention of the Chair 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 estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

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. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 August 2013. I caution members that if a 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.

[Witnesses introduced.]

**The CHAIRMAN:** Any questions?

**Mr C.J. TALLENTIRE:** My first question relates to "Significant Issues Impacting the Agency" on page 248 of the *Budget Statements*, and it is about rangeland reform. Noting that this is a major issue for the Department of Lands, I am somewhat perplexed to not see it listed there as a significant issue. Perhaps the minister can begin by explaining that?

**Mr B.J. GRYLLES:** I thank the member for Gosnells.

The rangeland reform program has been underway now for probably a couple of years. I think we put around \$2 million in the budget. That work has been done in working within the agency and across the stakeholders to look at changes we can make to the Land Administration Act to look at models of tenure, assisting pastoralists to undertake their existing operations, but also looking at diversification and some of the opportunities that exist. Under the current act, essentially, a pastoralist has to graze cloven-hoofed animals, and I know the member has some concerns about that. So, some of the flexibility we are trying to engender is the ability, if there are other options for making a viable pastoral lease, to do that. That work has been ongoing. We hope to have some legislation in the Parliament before the end of this year; that is the plan. That will outline the changes we hope to make to try to create some more flexibility within the pastoral industry and to try to encourage diversification. There have been what I think are some quite good projects both in more intensive agriculture and in tourism and the like. We are just trying to create more flexible models. The challenge we have is whether any future act triggers native title, which is seen by some of the industry as a challenge or a problem. I actually think that rather than looking at it like that, we should look at it as an opportunity to get better tenure models to allow for more diversification and provide more opportunities for local traditional owners. So, I think there has been some good diversification in partnership with traditional owners in some leases, but it is seen in other areas as a problem, but that will continue to play its way out. I will get Mike Bradford to talk about exactly where they are in terms of the legislation.

**Mr M. Bradford:** A number of items have been identified for legislative reform under the LAA. The first area was to provide greater certainty around lease renewal post the 2015 lease renewals. The minister currently has discretion, and the proposal is to provide greater certainty around that renewal process, providing the lessee is compliant with the conditions of the lease. That is the first tranche. The other legislative amendments are looking at, as the minister said, greater diversification, more flexibility, lease terms and those sorts of things, and they are coming later in the year.

**Mr C.J. TALLENTIRE:** I thank the minister and his adviser for that response. I would like to pick up on a couple of points, though, and I will perhaps do them one by one so that we get a nice, clear answer. The minister suggested that this would require legislative change. I have certainly been studying the Land Administration Act,

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and I support the idea of diversification on pastoral leases. My reading of it—I have had advice on this as well—is that the LAA currently provides for the sort of diversification that we both see as essential to the future of pastoral leases. I wonder whether the minister could comment on that, please.

**Mr B.J. GRYLLS:** I think the member is probably right that within the LAA there is potential for diversity. I think, member for Gosnells, what we are trying to create is an environment in which we are not the ones going to the bank to try to fund the diversification. The industry puts to me that the models of tenure in the pastoral industry make it more difficult for the industry to raise funds for diversification activities, and that is why we have looked at having new types of leases to try to facilitate that. That being said, some diversification has been undertaken on pastoral leases across the state, and I think the member is right that most things can probably be accommodated under the existing act; however, there was a belief and a desire that if we are to truly drive diversification in the pastoral estate, some changes to the LAA would help facilitate that.

**Mr C.J. TALLENTIRE:** The minister referred to a rangelands reform process. I would like to ask the minister why documents relating to that are indicated on the website but no longer available. I have been in touch with the department about this, but no-one has been forthcoming with those documents or has seen fit to bring back to life the previous links. On the Department of Lands website, if I go to the heading “Rangelands Reform” and scroll down, there are some important documents, titled “Rangelands Tenure Options Discussion Paper”, “Response to the Rangelands Tenure Options”, and “Summary of the Response to the Rangelands Tenure Options Response Paper”, and also an information sheet, “Land Tenure Options being progression and the implications of the *Native Title Act 1993*”. Those documents were on the website but are no longer available. I think this is the sort of thing that would naturally make people nervous about what sort of reforms are going on, but perhaps the minister can explain why in the budget allocations we do not have the capability of making sure that important documents on the website remain live.

[2.10 pm]

**Mr B.J. GRYLLS:** The advice I have is that the work of the member for Gosnells is very, very good. A new Department of Lands has just been created and a new website created. I think his suggestion is that some of the documents from the old website have not been uploaded onto the new website. I do not think there is a desire to not have them available, given that they were available before.

**Mr D.J. KELLY:** It is a cover-up.

**Mr B.J. GRYLLS:** I am happy to share that criticism with the creator of the new website.

**Mr C.J. TALLENTIRE:** Just on that matter, I know the minister has put out a draft lease that has been sent to pastoral leaseholders and has been received with some concern by some leaseholders. I am happy to go on the record as saying this: I think it a good draft because it really outlines the sorts of responsibilities that leaseholders have. However, I would ask the minister why we are not going for the optimum degree of transparency so that we can allay people’s concerns, because I am hearing from those people in the industry who have expressed their worries. On 30 June 2015, all these 500 leases across the state, covering 36 per cent of the surface area of WA, will expire. People are very worried about their futures. Can the minister please respond as to why we are not tackling this whole issue with the utmost transparency?

**Mr B.J. GRYLLS:** I think we are. We have sent out the new draft lease. The work has been done in consulting—both internally within the government agencies and externally within the industry—the traditional owners and other stakeholders. That work will inform the legislative changes that we look to bring to the Parliament by the end of this year. Part of that process was the rollover of the leases to 2015. We have created a new lease and I am glad to find that the member for Gosnells thought it was a good new lease. I will share that with the people involved in the industry who also have had lots to say about it.

**Mr C.J. TALLENTIRE:** I have a further question on the issue of pastoral leases, although I will make a slightly different reference in the budget papers. Turning to page 254, I refer to the pastoral leases revenue stream that is listed under “Net Appropriation Determination”. I note that in the current financial year we are looking at \$4.861 million revenue; and in the following years, \$4.861 million revenue is noted all the way through to the year 2016–17. How can this be when inevitably we are talking about changes in the number of pastoral leases? There will be people who will voluntarily relinquish a lease; there will be some people who will seek some sort of negotiated termination; and, as well, perhaps some leases—indeed, I would suggest quite a number—will not be renewed. Yet we are saying that the moneys derived from the rent will stay consistent all the way through the out years. How can that be?

**Mr B.J. GRYLLS:** Essentially, I assume that the Department of Lands has estimated what the return from the pastoral leases will be and has factored that into the forward estimates. The member for Gosnells is right. Depending on changes and renewals and who pays their lease on time and who does not, that might rise and fall,

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but, at the end of the day, he is looking at the budget and the forward estimates of what we expect the revenue from pastoral leases to be.

**Mr C.J. TALLENTIRE:** I refer the minister to some other documents that I have raised in the chamber in the past. I have received them through freedom of information, and they look at pastoral lease viability in the southern rangelands and also in the northern rangelands. A report for the southern rangelands stated that only 46 of the 292 leases were rated as being viable. This is the minister's own information—I assume it was a report presented to the minister on 7 September 2012. It states that some 46 of 292 leases are viable—only that number—yet the minister is trying to tell me that he thinks it is reasonable that this revenue stream from rentals on these leases remain consistent all the way through. Likewise, when I look at the northern rangelands, the report states that only 60 of the 92 Kimberley leases are viable, and only 12 of the 62 leases in the Pilbara are rated as viable. These are reports from the minister's own experts and they look at all sorts of elements around social viability, economic viability primarily, and also environmental viability. The authors of the report paint a picture of the whole pastoral industry being on the cusp of dramatic change. I would say that the minister's revenue stream projected there could be described only as grossly inaccurate. It is just fanciful to imagine that, with that level of change anticipated, the minister could hope to continue to receive \$4.861 million for each of the out years. Surely the minister would have to concede that there is a likelihood that there will be a dramatic fall in that revenue stream, which really should have been foreshadowed in the forward estimates.

**Mr B.J. GRYLLS:** I do not share the member for Gosnells' negativity towards the industry. The report he is talking about was a Department of Agriculture and Food WA report; it is essentially, a desktop analysis of the pastoral industry. Obviously, the individual viability of pastoral leases is the same as the individual viability of the small businesses in the main street of Gosnells that the member represents. All those businesses have different cost pressures and different challenges. I dare say that he would not be overly impressed if someone did a desktop analysis of the small business sector of Gosnells and came up with who was viable and who was not. I certainly do not intend to do that.

The report informed the government about some of the challenges in the southern rangelands, which we know existed with declining rainfall, wild dogs and so on. That being said, some pastoral leases in the southern rangelands are still very viable and prosperous and some are not so viable. That is really a decision for those pastoralists. Our job, as the Department of Lands, and my job, as the minister, is to manage the pastoral estate and ensure that the rangelands are being managed effectively, that the environment is protected; that animal welfare is protected and the like. We are doing that; we have a close eye on the southern rangelands. I would not be so quick to write off the pastoral industry in Western Australia.

**The CHAIRMAN:** We need to move on to other questions, if the member for Gosnells can be short.

**Mr C.J. TALLENTIRE:** Indeed, it is a complex issue so I pray the indulgence of the chamber for the time to pursue this. I take the minister's point that of course some pastoral leases are extremely well run and will be viable into the future, but the report, which the minister is obviously aware of, is very telling. There will be a substantial drop in the number of leases. I take issue with the minister's point that this is simply a desktop survey. It refers to dry sheep equivalents; it refers to land systems and land capability. To me, that is the real guts of this matter, and that is what I would like to ask the minister; namely, what effort is he making to ensure that the reissue of pastoral leases in the future—whatever revenue it would generate—is linked with the land suitability of those leases that may be renewed? How can he be sure that we have the number of pastoral leases that would generate anywhere near this amount of \$4.8 million in each of the out years? Just to finish off, I refer to other experts in this area. *The Rangeland Journal* —

**Dr G.G. JACOBS:** Mr Chair, we are having a lecture. What about a question and then letting the hearing move on? The member for Gosnells has had a fairly good run.

**The CHAIRMAN:** I thank the member for Eyre; I take the point. The member for Gosnells needs to get to the point.

**Mr C.J. TALLENTIRE:** Thank you; I will conclude. I wanted to respond to the minister's comment in which he said I was referring to a desktop study. I refute that. I am referring to other documents that are definitely field studies into the viability of our pastoral leases, and that relates to this revenue stream of \$4.8 million that has been claimed. If these leases are not viable for whatever reason, there is no way we will be getting that \$4.8 million each year. Therefore, I ask: has the minister seen this rangeland report that refers to condemning people to a poverty cycle? The report is by Rodney Safstrom and Peter-Jon Waddell. It was published in *The Rangeland Journal*. My broader question, however, is: how can the minister be confident that we would get anywhere near the \$4.8 million a year through pastoral leases in the future on the basis of the information provided about their viability?

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[2.20 pm]

**Mr B.J. GRYLLS:** I am confident that, as this is the Department of Lands budget and I signed off on the \$4.8 million revenue stream that appears in the budget forward estimates, that is the revenue we expect from pastoral leases. As I said before, I do not share the same level of negativity towards the future of the pastoral industry that some others may.

**Mr C.J. TALLENTIRE:** Can the minister produce documents that provide contrary information to these expert documents from the minister's advisers?

**Dr G.G. JACOBS:** The member for Gosnells has had over 18 minutes for his series of questions. My question is about the Browse liquefied natural gas precinct project at James Price Point as referred to on page 250. The second paragraph under "Financial Statements" refers to a decrease of \$3.7 million in the estimated accrual because of the delays in the Browse LNG precinct project, and the paragraph above that refers to an increase of \$4.1 million, which is predominantly due to the anticipated expenditure. I ask the minister: why is there an increase in anticipated expenditure when the Browse LNG project at James Price Point will not go ahead?

**Mr B.J. GRYLLS:** I thank the member for Eyre. Obviously, the proponent has decided to not pursue bringing its project on site at James Price Point. The Premier is on the record as saying that the government is looking at creating an industrial precinct there, so that work continues. As for the financial details referred to on page 250, I will ask the director general to give the member some more detail on those issues.

**Mr M. Bradford:** The changes in expenditure reflect a re-phasing due to delays in the Browse project. The Department of Lands' responsibility is around the land assembly phase, and that work continues.

**Mr D.J. KELLY:** I refer the minister to page 248 and the monetary allocation for "State Land Administration". What financial allocation has been made to the administration and review of the Strata Titles Act? Maybe the minister can answer this on notice, but how many residential properties in Western Australia are covered by the Strata Titles Act?

**Mr B.J. GRYLLS:** I thank the member for Bassendean. The strata titles issue is being managed by Landgate, which will be here shortly. Maybe that question is best put to Landgate. To which line item did the member refer?

**Mr D.J. KELLY:** I referred to "State Land Administration".

**Mr B.J. GRYLLS:** Obviously, that comes under this agency, but any questions on the strata titles changes would be best put to Landgate when it comes forward to discuss its appropriation shortly.

**Mrs G.J. GODFREY:** The member for Pilbara would be interested in this question, as I am. I refer to volume 1 of budget paper No 2, part 4, page 173. The ninth dot point refers to the West Kimberley revitalisation. Can the minister please detail the initiatives that will be funded under this revitalisation?

**Mr B.J. GRYLLS:** I thank the member for Belmont. Obviously, West Kimberley has been through a challenging time. The liquefied natural gas debate that took place in West Kimberley was difficult for the community. Throughout that project the government often spoke of the need to drive the local economy and the opportunities for Indigenous employment. I believe that the Kimberley Land Council and the majority of the traditional owners were supportive of that project because of the economic activity that it would have brought to the town and the sense of opportunity that that gave them. That being said, the commercial realities of that project are that Woodside does not want to pursue it. The government has decided to put some focus on West Kimberley in this term. We have a package of works to revitalise West Kimberley. We have done that successfully in East Kimberley with the Ord project and the commonwealth money that has been invested. We have done it through the Pilbara and the Gascoyne and the midwest.

Probably the biggest project in West Kimberley is a housing project in Broome and Derby. One of the big challenges that arise from Indigenous people moving into the workforce is that those in government-provided social housing quite often become ineligible for public housing because of the higher salaries in the north. At that point there is a massive disincentive to move into the workforce. We have done a pilot project at Coolibah Estate in Kununurra in East Kimberley; we have provided a new model of public housing whereby we prioritise those people who choose to move into the workforce. It has led to 45 new houses being built in that precinct. We not only have the opportunity for those people to not be discouraged from getting a job because of the impact of that on housing, but we are also wrapping all the government support mechanisms around them. At last count, four people had bought their homes through Keystart and other government incentive programs. That has been a great success and we are looking at doing 60 houses under that same model in Broome and Derby.

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There is also funding for the Broome boating facility. There is a high demand from the community to have a safe boating facility. At the moment they essentially launch the boats off the beach at Roebuck Bay near the main Broome wharf. We will also have a revitalisation of the Broome CBD through Chinatown, which is an important retail precinct in that community. Hopefully, the government's investment will enable that community to continue to grow and prosper in the future.

**The CHAIRMAN:** Before I give the call to the member for Collie–Preston, member for Belmont, I want to confirm the page. Are we on division 21? I just want to be sure.

**Mrs G.J. GODFREY:** I am told that I asked the wrong question at the wrong time, so I had a good run, did I not?

**Mr D.J. KELLY:** At least the member for Belmont got an answer. I was told to wait.

**Mr M.P. MURRAY:** I refer to the fourth dot point on page 248, which starts with “Housing affordability”. My question revolves around crown and state land in country communities that has not been utilised, yet with state help subdivisions are expanded on the fringes of the town so that there is sprawling development. Is any money available for studies to try to make the towns more compact, which would make services and provisions for country towns and the people who live there cheaper in the long run?

**Mr B.J. GRYLLS:** I thank the member for Collie–Preston. I agree. Especially through the north where rents and land availability have been challenging, we are undertaking projects with what is basically called lazy land, which is the bit of land that the Department of Health has owned for the past 40 years. It was to build a hospital on it in 1942, but it has not. We are looking to try to utilise that land rather than adding to the urban expansion on the fringes of the town. If the member has some specific examples of that in Collie–Preston, it would be good if he could bring them to our attention. There is no impediment to that except that the agencies like to hold the land because they believe that value is attached to it and while they have it, someone else does not. Health would like to say, “That land has a value of \$2 million as a superblock. We would like the \$2 million.” If that land has an inherent value, we try to use it to leverage a project to happen; that is probably a better use of the value of that land. It requires an engagement with the minister responsible for the department that holds it. Health and Education have a lot of land. Probably the best way for us to facilitate that is to get some examples from the member for Collie–Preston's community or others that he is interested in. We have a good record of trying to utilise land that is closer to the infrastructure of a community. I am interested in getting some ideas on that land in Collie.

[2.30 pm]

**Mr C.J. TALLENTIRE:** I refer to pages 248 and 249 of the budget papers on the total cost of services under “State Land Administration”. I want to ask the minister about the problems caused by the land acquisition bungs associated with the Browse land acquisition process and the lodging of incorrectly prepared notices of intention. Can the minister provide an estimate of the costs involved in those errors? I think they occurred on at least two occasions and must have been a fair cost to the agency. Is that shown somewhere in the budget papers, please?

**Mr B.J. GRYLLS:** I thank the member for Gosnells. It was not one of my finest hours as lands minister. For the information of other members, when lodging a notice of intention to take with the National Native Tribunal, there is a requirement to advise different parties and there are some time frames on that notification. Our processes probably were not strong enough to ensure that that was happening. We still operate a paper-based lands transfer system but we are looking to move into a digitally based system in the future through a project with Landgate. I do not think there was an enormous cost involved in that, apart from embarrassment and my reputation, but I will ask Declan Morgan, who was involved in that, to give the member an idea of the cost of reissuing the NOITs in *The Courier-Mail*.

**Mr D. Morgan:** The cost was essentially around staff time in preparing new notices of intent to take, and advertising costs associated with those, so they were not large, as the minister said.

**Mr C.J. TALLENTIRE:** Can I take it, though, that the phrase “Browse LNG Precinct Land survey costs” referred to in footnote 1 is a euphemism used to describe the additional costs involved in that repeated readvertising and processing?

**Mr D. Morgan:** No. The precinct survey costs are associated with a later phase of the process. The land has not actually been taken at this stage because the acquisition process is not complete, so the survey costs have not been invoked.

**Extract from Hansard**

[ASSEMBLY — Tuesday, 20 August 2013]

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**Mr C.J. TALLENTIRE:** The minister clearly suggested that the paper-based system has caused problems. Can the minister be confident that no other major project will come to light in the future in which similar errors in the land acquisition process have been made? Has the minister gone back and checked whether other cases could reveal themselves in the future?

**Mr B.J. GRYLLES:** I thank the member for Gosnells. Yes, we have gone back and checked. We have worked closely with the Department of State Development, the State Solicitor's Office and the Office of Native Title on that check, and we have made sure that all the current NOITTs that are open have been checked for their accuracy. We are very confident that we are on top of that problem. As well as that, we have obviously put in place a system of land administration to ensure that does not allow those problems to occur again.

**Ms M.J. DAVIES:** On page 248, under "Significant Issues Impacting the Agency", there is a point around housing affordability and bringing land to market in the regions as a key priority. Could the minister give me an update on how that is being rolled out across the regions?

**Mr B.J. GRYLLES:** I thank the member for Central Wheatbelt. I thought this would be a lead question from the opposition about the cost of housing in the north and the big challenges it brought to local communities. Both the actual evidence and the on-the-ground evidence now is that the Liberal-National government has undertaken a huge body of work to try to deal with land supply issues, especially in the north of the state, with a strong focus on the Pilbara. The level of pain caused in those communities with rents above \$3 000 a week was very hard to explain to people in the capital city because it was very unusual. It caused an enormous amount of stress and heartache in that local community. That was especially so for long-term residents who had not moved to the Pilbara to participate in the resources sector. Those long-term families who own small contracting businesses, the local newsagency or the local delicatessen were put under enormous pressure. Over the past four years it has been probably the number one focus of the Department of Regional Development, and also the Department of Lands, which obviously plays a key role in freeing up that process. I am happy to tell the member that in Port Hedland, probably where the biggest challenge was, we have recently brought land to the market in the Osprey development through the Department of Housing. I think we are releasing 50 lots at a time but with the capacity to roll out the lots to 300 in pretty quick succession. Also in Osprey there is a service workers' village where Fleetwood Corporation is building up to 293 units of accommodation, all of which will have subsidised rentals below \$1 000 a week. Therefore, just in that Osprey subdivision there are 300 lots of land with the first releases out to the market now; 293 subsidised accommodation units focusing on small businesses and not-for-profit organisations with subsidised rent below \$1 000 a week; and land in the Hamilton precinct in Port Hedland with 100 lots that I have asked the Department of Housing to bring on. LandCorp is in charge of the Western Edge project and bringing on 100 lots there. We have, therefore, three development fronts now on either edge of South Hedland, and off the back of that rents have started to come down substantially. They are down below \$2 000 a week now and I am hoping to get them down towards \$1 000 over the course of this year. In Karratha we are a little ahead of the game. With 50 lots in the Madigan estate available for probably the last six months, we now have land supply equilibrium in Karratha. There are also apartments being built for sale and the new Mulataga estate coming onstream. Average rents there have dropped to \$1 200 a week, which is still twice as expensive as rents in Perth, but they used to be well over \$2 000 a week. That is good work by the Department of Lands. Declan Morgan, who is here today, and I had many a conversation about what we needed to do in the lands area to try to get on top of this problem. It has taken a little longer than we would have liked, but I think it is positive to be able to report that in the Pilbara we appear to be getting ahead of the problem. We are also making a determined effort right across the state, particularly in Newman, Broome and Onslow, which are under pressure at the moment, to ensure that land availability is not an impediment to growth in regional areas.

**Dr G.G. JACOBS:** I refer to page 250 of the budget papers. With my experience of the lead pollution issue in Esperance, I am essentially interested in the status of the Northampton lead tailings project; the status of the surveys that have been done on the population of the impact of lead on the population; and where that project is going.

**Mr B.J. GRYLLES:** I thank the member for Eyre. He would know better than most members of the concerns about lead in the community. Esperance had a harrowing time after a lady there pointed out the problem with birds dying. That did not end up with the best example of how communities and industrial activity can co-exist. Given the enormous effort we undertook in Esperance, we have taken a very strong precautionary approach in Northampton, which has had a lead mine forever and was almost the reason for its existence. One of the challenges of that lead mine was with the production of tailings, which were regarded as good building material essentially for driveways and the like. I will get Mike from the department to give some more details. However, essentially off the back of the challenge in Esperance, we went to Northampton to do a complete survey of every property to see whether we could identify where the challenges were and to come up with a solution for remediation. I do not think the risk is as high as it was in Esperance because it has always been known in

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Northampton, but we are adopting the precautionary principle. I have just seen a letter that went out to Northampton residents saying that people will be knocking on their door soon to arrange times to take samples of driveways and other areas in and around the houses that may potentially have contamination. I will get Mike Bradford, who has been running that project, to add to that.

**Mr M. Bradford:** I might ask Declan to answer that.

[2.40 pm]

**Mr D. Morgan:** To add to the minister's comments, the form of lead in Northampton is different from that in Esperance. In Esperance, it was lead carbonate, which was more bio-available or could be more easily absorbed into humans, animals and plant tissue. In Northampton, it is lead sulfide, so it is far less bio-available. Also, it is not generally blowing around as a dust. There have been occurrences of elevated blood lead levels in Northampton in recent decades. Approximately 10 or 20 years ago, it was where children were coming into contact with the material that had been removed from the battery site. Essentially, they were playing in it under the house or on the driveway and so on and potentially ingesting it. That is how the blood levels got up. It is not as high risk a form as lead and that is a really important point to make.

The department has recently received funding from government and let a tender to conduct a whole-of-town site survey, so we are required to enter every property to ascertain whether or not tailings were brought to that property. Essentially, there was a large lead battery site operating outside the town, and, as the minister said, various people have brought tailings onto their properties. It is not on every property, but no-one can categorically say on which properties it exists. The first part of the project is just to ascertain where it exists and that is what that major survey will involve. It will also involve the use of an XRF spectrometer machine, which can be pointed at the material to indicate whether there is a lead content. It is a low impact survey. It is not contemplated that we will be entering people's houses. Once the material is collated, we will go back to government with options about the extent of the material's distribution and how it might be remediated, if that is required.

**Dr G.G. JACOBS:** Through the minister, is there any intention of testing the blood levels of children aged zero to five years in Northampton? Is any of the team involved at Esperance being mobilised in some of this work in Northampton?

**Mr B.J. GRYLLS:** I am happy for Declan Morgan to keep answering that question.

**Mr D. Morgan:** We are working very closely with the Department of Health, as well as the local government and other groups, including the Department of Mines and Petroleum, but the advice to date is that there is no requirement for blood lead level testing. It is available if people are concerned about it, but there is no requirement for surveys across the community. Having said that, testing can be provided if people are concerned that people are displaying some symptoms.

The second part of the question was —

**Dr G.G. JACOBS:** There is a fair bit of intellectual property now in having a team from Esperance. Are any of those people involved in Northampton?

**Mr B.J. GRYLLS:** Declan.

**Mr D. Morgan:** We have certainly taken full advantage of that and we have deployed the services of Michael Jackson, who was heavily involved in the Esperance lead remediation. We have Michael working with us to chair an inter-agency and local government committee on that. Further, we have worked with various staff in the Department of Transport, such as Ali Coates, in relation to the techniques and equipment that they used. So we are maintaining maximum learnings from Esperance and applying them to Northampton.

**Mr C.J. TALLENTIRE:** I refer to page 254 of the *Budget Statements* and the net appropriation proceeds from rental properties. Proceeds from rental properties are listed as being around the \$300 000 mark. Can the minister please outline what some of those properties are?

**Mr B.J. GRYLLS:** No. Director general, what are we getting \$300 000 a year for in rental property leases?

**The CHAIRMAN:** Through the Chair, minister.

**Mr M. Bradford:** The department leases a number of properties for which rent is obtained. As one example, there is a lease over —

**Mr C.J. TALLENTIRE:** I am sorry; does the agency let or lease those properties?

**Mr B.J. GRYLLS:** Let.

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**Mr M. Bradford:** Let. An example is the State Library car park; we get a return on that. I do not have the details for all the \$300 000.

**Mr C.J. TALLENTIRE:** Can the minister advise whether the agency has any responsibility for the Sunset Hospital property in Dalkeith?

**Mr B.J. GRYLLS:** My advice to the member for Gosnells is that it is a crown reserve. I am not exactly sure whether we get rental income from that—there is a lot of head shaking—but it is part of the crown reserve.

**Mr C.J. TALLENTIRE:** Can the minister advise the length of the current lease, and could I perhaps have the rent as supplementary information? I would also be interested to know about the openness with which organisations have been able to tender to take out that lease.

**Mr B.J. GRYLLS:** Again, some plans are underway for the Sunset Hospital site, but if the member wants to know that lease revenue, I am happy to provide that as supplementary information. I also add that it is not up to me to decide how members want to appropriate time in budget estimates; it is up to the members as a committee. We have four hours and we have the Department of Lands, we have Landgate —

**Mr C.J. TALLENTIRE:** I thank the minister; I am aware of that.

**Mr B.J. GRYLLS:** — and the Department of Regional Development and then the nine development commissions and I would hope that we can allocate an hour at the end to the development commissions.

**The CHAIRMAN:** Does the minister want to confirm that supplementary information?

**Mr B.J. GRYLLS:** I am happy to provide supplementary information on the rent received, if any, for the Sunset Hospital site.

*[Supplementary Information No B10.]*

**Mr C.J. TALLENTIRE:** Can the minister confirm if he is aware that the lease is currently held by the Australian Children's Trust, and can the minister advise whether he has been in discussion with Andrew Forrest, who is connected with that foundation, about the current tenure of the Australian Children's Trust at the Sunset Hospital?

**Mr B.J. GRYLLS:** No.

**Mr C.J. TALLENTIRE:** Is the minister saying that he does not know that the Australian Children's Trust —

**Mr B.J. GRYLLS:** No, I have not had conversations with Andrew Forrest about the Sunset Hospital site.

**Mr C.J. TALLENTIRE:** Okay. But the minister does know that it is the Australian Children's Trust that has the lease?

**Mr B.J. GRYLLS:** No, I did not know that until the member just told me then.

**Mr C.J. TALLENTIRE:** Does the minister anticipate selling off any of the Sunset Hospital site; and, if so, what conditions would be on such a sale?

**Mr B.J. GRYLLS:** Again, that is not something that I am personally working on at the moment.

**Mr C.J. TALLENTIRE:** I refer to the significant issues listed on page 248 of the *Budget Statements*. The Ord expansion is mentioned, and I would like to know from the minister what processes were in place to ensure an open tendering process, what costs the agency has already incurred in developing that and whether there would be an attempt to recover some of the state's outlay, recognising of course that in the last tendering round we were putting up land that had cost the state \$311 million, but we actually gave it to a company for a peppercorn rent. Can the minister please advise the processes for the next stage of the Ord expansion, as listed in the second dot point as a significant issue impacting the agency?

[2.50 pm]

**Mr B.J. GRYLLS:** We are very happy that the state Labor Party's strong lobbying of its federal colleagues allowed Prime Minister Rudd to be in the East Kimberley last week and announce some further support for the Northern Territory government for the expansion of the Ord project into the territory. Can the member please pass on my thanks to his colleagues who have been strong supporters of that project all the way through? It is positive to have the commonwealth engaged in that project. Both sides of federal politics have a strong focus on the development of northern Australia and we have looked to build on the very good work done by the former member for Belmont, the former Treasurer, when he negotiated the Ord Final Agreement with the Miriuwung-Gajerrong people in the East Kimberley. The Ord Final Agreement envisaged benefits and opportunities to flow to the Miriuwung-Gajerrong people should the land of the East Kimberley be developed for agriculture and that is a project that we have undertaken. The member talked about the issues impacting the agency for further



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development. It is not just development into the Northern Territory; there are some opportunities for infill at both the west bank and the east bank, as well some areas of the cockatoo sands—I would not say close to Kununurra, but within 40 to 50 kilometres of Kununurra—and we are continuing to look at the potential to bring those lands into the development phase. That work continues through the agency, and the Department of Lands obviously has a key role supplying that as it is the current manager of the land, which is mostly pastoral lease at the moment.

**Mr C.J. TALLENTIRE:** Can the minister assure us of the utmost transparency, especially with the west bank areas? Is there a place I could go to look at potential lease options?

**Mr B.J. GRYLLES:** I would be very excited if the member for Gosnells were interested in becoming a farmer in the East Kimberley, so I might ensure that we can provide that! At the moment, we are in a community consultation phase on the west bank, which the member is talking about. During the recent Kununurra Agricultural Show, I released concept plans to the community on what a subdivision of that west bank precinct would look like, and that is in that consultation phase at the moment. Off the back of that consultation phase, the state will define a process to take the subdivision to the market and we will make decisions. The west bank land has essentially been set aside to focus on high end-value horticulture. There probably was the opportunity to put that west bank land in with the land made available in Goomig and Knox that Kimberley Agricultural Investment took up; we decided not to do that. There was a proposal from other proponents as well. We thought that given it was close to town, it was an ideal opportunity for more intensive agriculture and so the preliminary subdivision plans are based around that. We hope that we can attract multiple small-scale farmers into the precinct. The Ord west bank has been identified for a long time. I think under the previous Labor government it was one of the first areas that was planned to be brought to the market. We have done things slightly around the other way, but, needless to say, it is in close proximity to town and obviously the water would be drawn straight from the Ord River.

**Mr C.J. TALLENTIRE:** I have a final point on this. Have any commitments been made to any potential landholders so far?

**Mr B.J. GRYLLES:** We have not yet defined the subdivision.

**The appropriation was recommended.**