

ROYAL GEORGE HOTEL — EAST FREMANTLE

Grievance

MS S.F. MCGURK (Fremantle) [9.23 am]: My grievance this morning is to the Minister for Lands as the minister currently responsible for the future of East Fremantle's Royal George Hotel. The Royal George in East Fremantle was built by J. Vetter at the cost of £5 200 for the Mulcahy brothers. It opened in 1903 and later the association with George Street and the flagship Royal George led the name to be changed to the Royal George Hotel. The hotel is a great example of the Federation free classical style, typical of the ebullient confidence of the boom years. A website containing historical records shows that —

It is handsomely proportioned and well balanced about its corner tower/cupola, which strongly marks its corner site. The architect showed considerable skill in producing a coherent and notable building, in the style of the day, whilst successfully addressing the design problems of a difficult site.

It is an icon of East Fremantle, loved by local residents, and sits overlooking the very successful George Street precinct.

In the early 1980s the hotel, owned by the Department of Main Roads, survived the extension of Stirling Highway, saved by the recently elected state Labor government. Stirling Highway was slightly redirected and the hotel lived to tell the tale. For a time it was managed under lease by the Town of East Fremantle, which used it primarily as a community art space. There was a very vibrant gallery downstairs. I, along with other members, remember that gallery well. Artists were in residence in the hotel room upstairs. There was also a restaurant in the lower levels and there were other community uses. Around this time, some work was done to the building to ensure that structurally, as I understand it, the building had been left in good shape. However, no agreement could be reached for the Town of East Fremantle to take responsibility for the full restoration of the site. In 2005, responsibility for the hotel was handed over to the National Trust of Australia. Ownership was, and is still, held by the state government, but there was hope that the trust would be able to source through either private or public investment the resources needed for the hotel to be fully brought back to its former glory, restored, in use and enjoyed by the public. In fact, quite the opposite happened. Since 2005, artists and other users have been removed from the building and it has been vacant for some time. It has now fallen into serious disrepair; fittings have been ripped out and windows boarded over, the fascia is coming away and bricks are fretting. New acts of vandalism are reported every month.

Ask anyone from East Fremantle, including some of the people in the gallery this morning, and they would say that they despair at the state of the hotel. They are aghast that such a magnificent building has been abandoned by the state government in the way it has. Therefore, it was with some concern, minister, that we learnt that the Royal George Hotel was to be included in the state government's asset sell-off. The minister has subsequently confirmed this. Our concern about this news is that by simply selling off the property to the highest bidder without any agreement secured for the restoration of the building, the new owner will have the council and the community over a barrel when it comes to any development. Some people would like to see the building kept in public hands, but most acknowledge that we need to be realistic about the resources needed to restore the hotel and make it viable. We have seen the effect of this approach in the current fortunes of the Guildford Hotel. Badly damaged by a fire six years ago, the Guildford Hotel has been left to fall further and further into disrepair because the private owners and the local community cannot reach an agreement about the type and scale of the development needed to accompany the hotel's restoration work. This impasse leaves heritage lovers and the local community, again, to despair. I am sure that the private owners, too, are frustrated with the lack of progress and would like to see their capital put to productive use.

It is crucial that any development that takes place on the Royal George site is done with a current and comprehensive heritage plan in place and that any use and accompanying buildings on the site comply with the council's local area requirements. People understand that reaching an agreement that satisfies all these criteria will be challenging. I imagine a developer will, understandably, want to maximise the build that accompanies the hotel. Members should remember that the site was rescued from the Stirling Highway roadworks. People can see that the highway comes very close to the east side of the hotel. Of course, if the Minister for Transport gets his way, there will be double-road trains barrelling along that stretch of road. Actually, they will be stopping and starting along that stretch of road, banked up from Stirling Bridge, but that is a matter for another debate. The point is that there is some vacant land adjoining the north of the hotel site—not a lot, but some—and a highway directly to the east. These add to the real restrictions on this site and are among the challenges of any development that would fund restoration of the hotel. Most people who have been active in advocating for the protection of the Royal George have views about the role of the National Trust —

The DEPUTY SPEAKER: Order! Member for Wanneroo, if you want to have a conversation with everyone in the house, I suggest that you wait until the lunchbreak.

Ms S.F. McGURK: People have views about the role that the National Trust has played in the stewardship of the building for the last decade. Some say that the trust took on the project without the resources to broker proper development of the site, and 10 years have lapsed with no progress. Others say that the trust did its best. As I understand it, the trust recently came up with a development proposal with Westbridge Group, but the Department of Lands is now saying that the trust was not authorised to enter into the agreement to the extent that it did. I am not sure of the extent of the legal obligations extended to the Westbridge Group, but I get the impression that it is still very much interested in the project. That is a matter for the minister to work through.

The fact that the developer has invested time and money into the project will need to be managed and is perhaps an opportunity that could be explored. If the minister elects to proceed with a cash sale to make a quick buck to bolster the budget's bottom line to make up for the disastrous financial management of the state government, he should make no mistake, he will have a fight on his hands. The community I represent will not stand by and see the minister abandon his responsibility to secure a proper future for this building. The neglect has gone on for too long.

MR D.T. REDMAN (Warren-Blackwood — Minister for Lands) [9.30 am]: Thank you very much, member for Fremantle. As the member knows, I have had a couple of conversations in passing about this issue. I strongly recognise the desire of the member, local community and the council to get a good outcome, particularly as it applies to the heritage of this building and the preservation of that heritage going forward. As background, and as the member mentioned, in 2005 the Royal George Hotel was transferred to the National Trust of Australia under a conditional tenure freehold title for heritage purposes; it has that sort of covenant over it. That form of tenure is defined as crown land under the Land Administration Act. In August 2014, the trust requested my approval to lease that property to the Westbridge Property Group. A lease was executed between the trust and that property group and it contained an option to purchase at a prescribed price. The lease also contained an option for strata titling. Interestingly, although the trust later sought my approval that had to formally take place with me, it did not take place—so I had some concern with the process undertaken at that point. Prior approval did not occur, and, as a consequence of a number of things that have happened, the property has not been maintained and has fallen into disrepair. All the points that the member talked about are absolutely accurate. It is concerning for all of us that we have finished up with a building that has fallen into such a state of disrepair when it could have potentially been a fantastic building that respects the heritage of our state.

I asked the Department of Lands to look at options of divestment of the asset. As the member knows, we are looking at an asset divestment process across the state from land sales, but it is really important to me in that process to understand all issues around that area and to get an assurance that we can do it in a way that preserves the building's heritage. Taking into account the challenges of state's finances and a private group that has some investment capacity, and, from what I am hearing, an intent to preserve the heritage, that is perhaps a good landing point. No final calls have been made, but I support investigating that as a pathway forward. It is a way of breaking the nexus of not having the trust with the resources to do what everyone would like done. There are a number of examples of that around the state. Although the Minister for Heritage highlighted some investments that government has made in that area, we need to find a balance between the tenure scope that an investment interest might want in order to make the project work and the covenants and constraints that are appropriately put over such a building. That is being worked through. The department is working with the trust to retain the integrity of the conservation plan that has been put in place. I have asked the Valuer-General to inform me of a fair market value for the property. That valuation will consider the conservation constraints put over the building, making sure that we are aware of the price and costs and so on and all those factors as we go into what might be a potential sales process.

In December last year I informed the trust of my decision to review and reassess the plan in terms of going into the government's asset sales program. Four key points stand out for me. First, everyone recognises the heritage value of the building, in particular the people of Fremantle, and the member quite rightly advocates for that position as she well should. I am dismayed by the state of the hotel; I think it is a disgrace and should never have finished up where it is. To that extent, I support the member's point that the National Trust, which should rightly be the custodian of that heritage building, has not been able to maintain the building as it should have been maintained. My office is meeting with members of the Westbridge Property Group next week, and I hope that those discussions will be constructive. At the end of the day, I want to see the Royal George Hotel restored to its former glory, as does the member for Fremantle, the Town of East Fremantle and the people of East Fremantle. Hopefully we can find a landing point that can maintain the heritage interest, that has enough scope in an asset sales process with the right covenants, constraints and heritage values preserved to have an investment in that facility that is so dearly needed, and that achieves the outcome desired by the people of East Fremantle.

I have showed a personal interest in this building and the member has talked to me about it. If the member hears of any issues at a local level, I strongly encourage her to talk to me. I have a level of authority in terms of sign-off and I certainly seek—whether I get it is the member's view—the member's support of an appropriate and constructive pathway forward.

Ms S.F. McGurk: Will the local community see any development proposal before it is signed off by the minister?

Mr D.T. REDMAN: I am happy to talk to the member about that, because with these sorts of things we can either accept the current status quo, which has not delivered a good outcome, or we can find a new position. The local council has a role in this area as well; it is not entirely a role played by the state. I want to plot a pathway forward and I am happy to have that discussion with the member. I will undertake to commit to have that discussion with the member prior to anything happening—to at least get her assessment of the process, and she will give me the benefit of her advice on what she thinks I should do. I will take counsel at that time as to what I do. At the end of day, I want the right outcome. There is a potential pathway for private sector investment, which might have issues a local level. I am not sure how strong a concern the community has with that, but to make it work, it needs constraints, covenants, and heritage conservation plans that are protected and respected. If we want investment interest, we also need some flexibility in how the investor can use the asset to get a return on investment. I think there is a potential landing point and I undertake to talk to the member prior to things happening. The member will tell me her views, after which I will make a judgment on actions.