

Chairman; Mr Peter Tinley; Mr John Day; Mr Frank Alban; Dr Tony Buti; Mr Albert Jacob; Mr Paul Miles; Mr John Hyde

Division 47: Planning, \$43 094 000 —

Mr P.B. Watson, Chairman.

Mr J.H.D. Day, Minister for Planning.

Mr E.W.T. Lumsden, Director General.

Mr N.D. Thomson, Assistant Director General, Strategic Corporate Support.

Mr K.H. Wilson, Chief Finance Officer.

Mr T.M. Hillyard, Property Services Manager, Western Australian Planning Commission.

Mr G. Finn, Director, Perth Waterfront.

Mr S.M. Henriques, Acting Executive Director, Project Delivery, Metropolitan Redevelopment Authority.

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, 8 June 2012. 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.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Are there any questions, members?

Mr P.C. TINLEY: I refer to the item on the efficiency dividend listed on page 545 of the *Budget Statements* under "Major Spending Changes". There will be a two per cent efficiency dividend for 2012–13. What existing programs and services will be cut as a result of that efficiency dividend?

Mr J.H.D. DAY: As members are aware, the efficiency dividend has been put in place by the government and as part of this budget to ensure that, as the title implies, government services are provided in a more efficient manner. Therefore, it is a matter of identifying areas in which things can be done more effectively. It is not primarily a matter of cutting programs or services. Members should bear in mind that an increase, roughly of the consumer price index, is built into each budget and that the two per cent efficiency dividend over the next 12 months will come off after all that has been applied, as I understand it. Decisions have not been made on how those savings will be found over the forward estimates. The priority is very much on not cutting services or programs; it is about doing things in a more efficient manner. Obviously, like other ministers, I will be working with this department as well as the other departments for which I have ministerial responsibility to go through the options between now and 1 July. The budget was presented only a week and a half ago or so and those decisions have not been made as yet.

Mr P.C. TINLEY: The minister has known about this in the budget processes for some time. What internal processes are going on in the department to deliver the efficiency dividend for next year? The clock is ticking; it is a matter of weeks before the minister will have to start delivering on that saving.

Mr J.H.D. DAY: The director general and other senior officers have the responsibility of going through the various alternatives. This process is ongoing. A three per cent efficiency dividend was proposed by the previous Labor government during the 2008 election campaign and was supported by both sides of the Parliament. That measure was put into effect without a great deal of pain when we came to office in 2008. I am sure the same outcome will be achieved with this two per cent efficiency dividend. I ask the director general to comment on the process that might be followed. As I said, decisions have not been made on exactly where the savings will be found. Essentially, it is about doing things more efficiently while still providing a good service.

Mr E.W.T. Lumsden: This process had commenced some time prior to the announcement of the efficiency dividend. The department has been looking at a more rigorous prioritisation of projects to meet the government's priorities and is not enhancing any other work that is not considered to be a priority of government. We have also

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looked at improving productivity in terms of a review of our information and communication technology capability and appropriate training. We have also been looking very closely at how and when we use consultants and contractors to minimise the costs to government.

Mr F.A. ALBAN: Reference is made to land use in the first dot point on page 546 of the *Budget Statements* under “Significant Issues Impacting the Agency”. Does this include the review of the Swan Valley Planning Act 1995?

Mr J.H.D. DAY: I do not know whether that particular dot point specifically covers the Swan Valley Planning Act, but it is certainly correct that a discussion paper is being put together within the department that is drawing on information that has been, or is being, gathered from a variety of sources, including some reports that were done for the department and also the City of Swan. The discussion paper will be finished soon. I know that the director general is well aware that this needs to be finalised as soon as possible. Once I have been provided with a copy of the discussion paper and a briefing on it, it will then go out for public comment. I should make it clear that the government does not have any agenda for the Swan Valley, apart from ensuring that existing viticulture and related tourist activities are protected. Viticulture—grape growing—and wine production are central to the character and economy of the Swan Valley, and we certainly need to ensure that that aspect is protected. I know there are a variety of views about whether any changes should be permitted in the future. Some strongly believe that no change should occur; others make the case that some change should be permitted. The government does not have any agenda as far as that is concerned, except, as I said, to ensure that viticulture is adequately protected. There can be some further community discussion and debate about the various issues once the discussion paper has been put out for comment, and we can then take things from there.

Dr A.D. BUTI: I ask the minister to clear up this point. A review of the Swan Valley Planning Act is occurring. When does the minister believe that it will be completed? Is it correct that a public consultation period will then follow?

Mr J.H.D. DAY: Yes. It is not so much a review of the act but a review of the issues affecting the Swan Valley area in relation to the economy, infrastructure, land availability, discretionary land uses and so on. A discussion paper around those issues will be put out for public comment. I am hoping that the discussion paper will be completed within the next couple of weeks or so. I will obviously need to look at it. I was hoping that it would be completed before the end of this month but I know that the issues are somewhat complex. It will certainly be completed within the next couple of weeks and I expect that we will put it out for public comment soon after that. I will ask the director general whether he wants to add any comments in relation to the process.

[7.10 pm]

Mr E.W.T. Lumsden: Generally, the review of the Swan Valley act is a review of the issues. Many of the issues are similar to what were originally there for user expression. I was involved in the preparation of the initial policies for the Swan Valley in a previous role. Land-use conflicts between viticulture and other activities are obviously continuing to occur. There is a view that the City of Swan’s town planning scheme may perhaps be a bit too lenient with regard to what the policy says about discretionary land uses.

There is concern about appropriate development in West Swan Road and it being basically a commercial strip rather than a strip that complements the valley. There are ongoing issues with the restricted water supply; and by that I do not mean reticulated water, but access to the aquifer. The Swan Valley has not only viticulture, but also horse properties and other properties that use the underground aquifer. They are vexed issues, and there are other issues in which viticulturists want some more protection for their operations. Those issues are very familiar to the past, but it is probably really looking at how the focus of the act can be sharpened up from a policy perspective and how that may need to be reflected in the City of Swan’s town planning scheme. As has been my experience over 20 years in that locality, the issues are often complex and conflicting, and need to be sorted through in a considered way; hence, as the minister said, we are preparing an issues paper, which in some cases will repeat the issues of the past. So the issues will not be new, but perhaps there will be a new aspect to them for consideration and feedback. There are complex issues in the valley and, as the minister said, a variety of opinions that will have to be worked through to see whether we can come up with a better outcome for the valley, as is the intent of the act.

Dr A.D. BUTI: I refer to the seventh dot point on page 547, which notes that the department is progressing many of the Keelty report recommendations. Can the minister give us more precise detail on the status of that progress and which recommendations are being progressed?

Mr J.H.D. DAY: The response to the Keelty report, as has been explained in this place previously, is being coordinated by the Department of the Premier and Cabinet. There are, obviously, some implications for the planning system in what was recommended. It would, as I recall, need legislative change for all the planning recommendations made by Mr Keelty to be put into effect. The state does not have the powers fully available to

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put all the recommendations into effect at this stage and so all of that is being worked through. I ask Mr Lumsden to add some comments about what is happening at the moment.

Mr E.W.T. Lumsden: What the minister outlined about the limitation of the Planning and Development Act in terms of the specific Keelty recommendations is correct. Associated with the recommendations that I expect will come out of an ongoing review, in which we are heavily involved with the Department of the Premier and Cabinet's task force that is addressing this issue, will perhaps also be a review of the Western Australian Planning Commission policies for rural residential subdivision in bushfire-prone areas, but it is too early to say. We will address other issues associated with building, such as the construction and standards of dwellings built in bushfire-prone areas, through the Department of Local Government, because it is primarily the responsibility of local governments to issue building licences. That is not directly in my department, but it is associated with development issues.

Mr J.H.D. DAY: As I said, there will be a review of the relevant state planning policy. Close to two years ago, subdivision guidelines were put in place for bushfire-prone areas; so those guidelines are playing an important role in putting into effect a lot of the issues behind the Keelty recommendations, and they will be reviewed if necessary.

Mr P.C. TINLEY: I draw the minister's attention to "Supplies and services" on page 553. I believe this is where my question might fit, but the minister can give me some guidance if that is not correct because it does not seem to have a specific line item. I understand that a value-for-money review for the Department of Planning and the Department of Transport is underway. Can the minister confirm there is that review or some other review on the separation of departments; and, if so, can the minister give us the terms of reference for that and the estimated cost of the review?

Mr J.H.D. DAY: A value-for-money review is intended to be undertaken quite soon. It has not started as yet, and my recollection is that a tender was put out very recently on the appointment of an organisation —

Mr P.C. TINLEY: I am sorry, I missed that—has it gone out or is it going out?

Mr J.H.D. DAY: The tender for the organisation to undertake the review was recently put out. The review has not started yet; I think that is expected to be in July. I ask Mr Lumsden to add some information on that.

Mr E.W.T. Lumsden: As the minister said and as is my understanding, it was either last weekend or the weekend before that the tenders were called for interest and submissions by appropriate organisations. According to the schedule given to me by the Department of Treasury, the review is expected to commence around late July or August and to be completed about four months from its commencement, so by the end of November or early December. The estimated cost is about \$400 000.

Mr P.C. TINLEY: Was this initiated by Treasury and not by the department, or has something been identified in the department's internal processes that indicated there ought to be a value-for-money review?

Mr J.H.D. DAY: No, it has not really been identified within the Department of Planning. There are always cost pressures and demand pressures on just about all departments, of course, including the Department of Planning. There has been agreement between Treasury and Planning essentially that this review would be undertaken to hopefully help identify whether things can be done in a different way to better use the resources that are available or whether some additional resources might be justified. That is essentially the purpose of the review. It has not originated out of the planning portfolio and it does, as I think the member said in his question, involve the Department of Transport in this process. I ask Mr Thomson to add a bit more because he is directly responsible for it.

Mr N.D. Thomson: The review will obviously look at a range of issues, and one of those will be to look at our statutory and policy obligations in how we deliver those core services to government. It will give us insight, I guess, to look at how effectively we deliver those services. It will also drill down into the organisation and look at the efficiency of our organisation and the range of our supporting structures. For example, in the corporate services area that I am responsible for we will look at making sure that the support structures for those important outcomes are being delivered in the most efficient way possible. It is an opportunity for the department to have an external consultant come in to have a look at our organisation and to give advice. It is something we are looking forward to, in effect, to see whether there is any way we can be more efficient in the delivery of those statutory and policy obligations we have in the planning sphere.

[7.20 pm]

Mr P.C. TINLEY: Has the minister seen the terms of reference or the initiating arrangements?

Mr J.H.D. DAY: Yes; it was some time ago. They were draft terms of reference.

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Mr P.C. TINLEY: I will make the assumption that the minister has. The minister's advisers tell me that this value-for-money review is focused on his department and what it currently does. Will that review of those terms of reference look at value for money for the separation of what are now two departments?

Mr J.H.D. DAY: I do not think it would be considering the policy issue of whether the Department of Transport and the Department of Planning should be separate agencies or one agency; that was a policy decision taken by the government when we came into office, of course. On that issue, from my observation—the member might expect me to say this—I believe the system is working better, certainly as far as planning is concerned, which I have responsibility for; I do not have direct responsibility for the transport part of government. There is now a lot more focus in Planning on actually being able to do a lot of the more strategic long-term planning in various parts of the state, including in the metropolitan area, than was the case previously. A lot more focus is placed on trying to ensure timely outcomes on a range of services provided, including subdivision applications and so on. The previous department, of course, covered everything from strategic planning, long-term planning and all the statutory planning activities right through to marine safety and vehicle licensing et cetera—things that really have very little to do with each other.

Mr P.C. TINLEY: Are these terms of reference, or the initiating document, publicly available; and, if not, will the minister provide it by way of supplementary information?

Mr J.H.D. DAY: It is not publicly available at this stage. Given that the tender has not been awarded as yet and the process has not been undertaken, I do not want to give that commitment at this stage. I do not see any reason why the terms of reference could not —

Mr P.C. TINLEY: After the tender is awarded?

Mr J.H.D. DAY: Yes; at a later stage, I do not see why it could not be made available.

Mr A.P. JACOB: I refer to the fifth dot point on page 547 which mentions the urban development strategy. Can the minister please outline what the government is doing to manage land supply and also what it is doing to coordinate infrastructure that will help meet the state's needs for industrial, commercial and residential land?

Mr J.H.D. DAY: The urban development program, as indicated, aims to ensure that a sufficient supply of land is available for residential development in particular, but also to some extent for other land uses, including industrial land. It is worth noting that the economic and employment land strategy was recently finalised and put out for public information. That has been very much welcomed by the sector involved in developing use of land. A lot more certainty and long-term planning put in place was needed to identify areas in which industrial land uses could be provided in the future, given that quite a shortage developed several years ago. In relation to urban development itself and residential land development, the aim is to ensure that there is about a 20-year supply of land zoned for urban development—and that is the case at the moment as I understand it. A large amount of land is available to be subdivided at the moment. The main constraint to providing development has not been anything within government or any major issues with the approvals process or rezonings; it has been the demand in the private sector. Developers generally will not undertake urban development or residential development unless they feel fairly confident of selling lots. Secondly, getting access to finance has also been an issue, and it is still an issue as I understand it, given what is going on globally and the fact that banks and international suppliers of finance have tightened up substantially in relation to making finance available. That is an overview. I ask Mr Lumsden to relate any further information about the program.

Mr E.W.T. Lumsden: The urban development program is one of those we have put a lot more focus on in the last few years. As the minister outlined, that is not only to ensure adequate land supply, but also to effectively track and monitor the supply of land—both urban-deferred and industrial land. That is a state program and is not just focused on the Perth metropolitan or Peel regions; it is across the state. That has been welcomed by the private sector. It also means that we monitor it not only through our own processes, but effectively also by liaising with the private sector. The other thing associated with land supply that we are doing on behalf of the state is examining very closely any potential impacts of the commonwealth's Environmental Protection and Biodiversity Act on land supply.

Dr A.D. BUTI: I refer to the sixth dot point on page 547 regarding development assessment panels. I have a four-part question. Firstly, what amount has been budgeted for in 2012–13 to run the DAPs? Secondly, when will a review into DAPs commence and who will be conducting it? Thirdly, does the minister have any evidence that the DAP has been successful? Fourthly, is the minister able to provide, by way of supplementary information, any concrete statistics that show that DAPs are not actually a costly planning bottleneck for developers?

Mr J.H.D. DAY: Generally, I believe that the establishment of the development assessment panel system has been positive. It has provided for, in some cases, more timely decisions being made, and, secondly, decisions being made much more on the basis of clear planning issues as opposed to extraneous and not necessarily

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terribly relevant issues, which can sometimes impede approvals being given for particular projects. As I am sure members will recall, panels have been established with three professional members, generally planners or architects, and in some cases with other professional qualifications, and two local government council representatives, in the case of each panel, from the relevant local government. As far as the budget is concerned, generally speaking the cost of the system is funded by fees paid by applicants. Page 557 of the *Budget Statements* indicates that \$716 000 is budgeted for the operational system over the next financial year. A review is intended to be undertaken after 12 months, so that would be getting underway within the next couple of months, given that the system started off in July last year. In relation to statistics to prove that the system is providing more timely decisions than was previously the case, I am not sure whether we can provide definitive information about that, but, generally speaking, the feedback from people who have made comments to me and from applicants has been positive.

I make the point that not all applicants get approval for what they want to undertake. I believe some people had the perception that establishing this system would lead to just about anything being approved. That is definitely not the case and development proposals need to comply with planning schemes. There certainly have been cases in which refusal of approval has been given by development assessment panels. One was in the Shire of Denmark and there was also one in the Town of Cambridge that I am aware of. I understand they are being appealed in the State Administrative Tribunal. People still have a right to lodge an appeal. The point I am making overall is that proposals need to have merit and to be carefully assessed to ensure that they comply with planning schemes and are in the public interest.

[7.30 pm]

Dr A.D. BUTI: I have a further question. Could the minister tell us who will conduct the review?

Mr J.H.D. DAY: As I understand it, it will be coordinated within the department but input will be sought from, obviously, the presiding members and, presumably, all the other members of the panels who have participated.

Mr P.T. MILES: My question relates to the first dot point on page 547 of the *Budget Statements*, which refers to Directions 2031. How has the department been going through the directions and responding to the land use and planning demands that Directions 2031 has placed on it?

Mr J.H.D. DAY: Directions 2031 is the major planning framework for further growth in the metropolitan and Peel regions. As I have explained previously, it provides for a higher proportion of residential development to be provided through urban consolidation, urban infill projects in appropriate areas and also a higher average density in greenfields development. I emphasise “average density”.

Further work is being undertaken to prepare under the framework a directions strategy for a city of 3.5 million people with a final report due by about October this year. The strategy is being put together following the assessment of about 400 public submissions that were received following the draft central and outer metropolitan subregional strategies, which were released in August 2010 together with Directions 2031. More detail will be provided once that strategy is completed. It is certainly an important framework and strategy for further growth in the metropolitan area, given that we expect substantial growth of about 2.2 per cent a year on a statewide basis. In some parts of the metropolitan area, and in some areas outside the Perth metropolitan area for that matter, it will be significantly higher than 2.2 per cent. The highest actual growth rate expected in any local government area is in the City of Perth where a lot of residential development—obviously, high or medium density—is underway. The growth rate expected over that time frame is in excess of six per cent, as I recall.

Mr P.C. TINLEY: I have a further question for clarity: has the department taken submissions on a review of Directions 2031?

Mr J.H.D. DAY: Two draft subregional strategies were put out at the same time. One was for the central metropolitan area and one was for the outer metropolitan region and Peel.

Mr P.C. TINLEY: Is it fair to say that the department is in the process of updating Directions 2031 on the basis of the new projections on population?

Mr J.H.D. DAY: As I understand it, more detail is being provided in this further report than was going to be provided. It was initially intended, as I recall, to finalise the two draft subregional strategies and then to put them out in a finalised form, but a different approach is now being taken to prepare this new document. I ask Mr Lumsden to comment further on the process.

Mr E.W.T. Lumsden: People refer to the document as “Directions 2031”. The proper title is “Directions 2031 and Beyond”. It is not a document fixed in time.

Mr P.C. TINLEY: We know that.

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Mr E.W.T. Lumsden: It highlights that growth will continue beyond 2031 and may fluctuate depending on the broader economic circumstances, but it is also designed to ensure that we look at the process to ensure we have urban land capacity beyond 2031, rather than being just a document. Part of that process has involved, as the minister has outlined, the preparation of subregional structure plans, which have worked for relevant local governments in conjunction with the broad objectives of the “Directions 2031 and Beyond” document. The process has involved addressing where future greenfields development could occur in a consolidation process; we do not only stress infrastructure where we add value, but also infill.

As part of that policy document, what has been pleasing from my perspective is that a lot of local governments have responded. They are reflecting that in their more detailed local planning strategies and schemes. Also, councils are reflecting the more recent demographics—not only the population projections, but the demographic changes that will occur in communities over time—in their housing strategies, which will then get reflected in local planning schemes. We have had that ongoing dialogue. We continuously support local governments and bring up their town planning strategies in parallel with the work we are doing. They are taking the principles of the major document and are in the process of refining work in their own right as well as what we are doing. Those documents are living documents and will be looked at to set not only a broad strategic regional framework, but also a subregional framework that can cascade down to local planning schemes. Councils such as Bayswater, Swan, Melville and Joondalup have reflected the principles very actively in their local schemes, which are not in conflict with our approach to planning for the Perth region.

Dr A.D. BUTI: I refer the minister to pages 549 and 550, which deal with “Integrated Land and Infrastructure Policy Development” and “Land Accessibility Planning and Policy Development”. I have not found anywhere in this division issues relating to the major stadium being built at Burswood. Surely that would have a major bearing on the future planning and policy development of the Department of Planning in the vicinity. What role will the Minister for Planning have in the development of the stadium and the surroundings or will it be the responsibility of the Premier to determine these matters?

Mr J.H.D. DAY: The stadium is not in the planning portfolio; it is in sport and recreation. The Department of Sport and Recreation and the Office of Strategic Projects in the Department of Treasury are leading the planning for the stadium. In relation to the wider precinct, I agree that what happens on the Burswood peninsula is very important. A structure plan is being prepared. That is being led by the Department of Planning. Mr Lumsden is also a member of the working group or steering committee for the stadium project. The Department of Planning’s role is to look at the wider issues on the Burswood peninsula. I will ask Mr Lumsden to answer that based on his involvement.

[7.40 pm]

Mr E.W.T. Lumsden: As the minister outlined, the stadium project is on the western part of the Burswood peninsula. The Burswood peninsula has a number of components to it. First of all, there is a stadium site on the west. The second component is the Burswood entertainment complex, if I could use that expression, and accommodation. The third component is the current racecourse to the north of Orrong Road—Graham Farmer Freeway. The fourth component is an area further to the east in Victoria Park, closer to the Great Eastern Highway. We have interest for the redevelopment of the racecourse, also for the Burswood area—the Burswood Casino. There are also private owners who wish to pursue development opportunities near the Great Eastern Highway. We are putting all those aspects into a broader structure plan. That is obviously using information from our colleagues at the Department of Transport and other areas to feed into the broader process. That review is being conducted by the department, led by my colleague sitting behind me, Mr Glen Finn, who is the project director, to ensure that we look at all of those elements in a cohesive way in terms of an appropriate structure for the entire peninsula. It is not just simply looking at the stadium purely as a construction project, but looking at the planning framework for the whole of the peninsula.

Mr J.H.D. DAY: I would just ask Mr Finn to add a little more, given his involvement in this process.

Mr G. Finn: Just following from what Mr Lumsden said, we are looking very closely at the Burswood peninsula holistically. Obviously there is significant demand in relation not only to the stadium precinct but also to the Belmont Park redevelopment, the Burswood Station precinct, The Springs area on the other side of Orrong Road and the casino and entertainment precinct itself. They are all significant developments in their own right. It is a fantastic opportunity for the city to consolidate all of that into a single planning vision for that entire area. That is certainly part of the work we will be doing in conjunction with other government agencies and local governments.

Mr P.T. MILES: Minister, just on the Belmont Park component of that facility, I understand that is obviously a joint venture between Perth Racing and somebody else. I understand there has to be high-density or high-rise living there, but the actual racetrack may still remain. Is that right?

Mr J.H.D. DAY: That is my understanding. I will just ask Mr Finn to add to that.

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Mr G. Finn: Yes, the proposal is that the racetrack and racing facilities will remain. The land surrounding the racetrack itself is proposed to be redeveloped for a mixture of residential, commercial, retail and entertainment uses. It is also proposed that the existing racing facilities in terms of the grandstand and members' facilities will be upgraded as part of the proposal.

Mr P.T. MILES: Is there a time line? I do not necessarily refer to when the building is started—obviously the planning is going through right now. Is there a time frame on when that is going to be completed?

Mr J.H.D. DAY: That is up to the developers of course. I would imagine that it would take quite some years to be completed. My understanding is that they are keen to get initial works underway. In fact, I think some work has started on the site by the provision of fill on the western part of the racetrack site. I will ask Mr Finn to add a bit more on that.

Mr G. Finn: The planning for that site has certainly commenced. The private developers are in the process of preparing the local structure plan and gaining the approvals through the relevant authorities, including the Planning Commission. Some initial preliminary works have commenced. As the minister has mentioned, some soil is being transferred to site that is being used as preloading material prior to subsequent earthworks and construction works.

Mr F.A. ALBAN: I refer to page 547 with respect to “Significant Issues Affecting the Agency”. Is the minister able to provide an update on the progress of the Lloyd Street extension?

Mr J.H.D. DAY: Yes, the member for Swan Hills is of course referring to Lloyd Street in the Midland area. It is a road that is now very busy and is crucial to the development of the new Midland hospital, the construction of which will be starting in the second half of this year. It is at an advanced stage of design. It is intended to be opened around the middle of 2015. It is important to ensure that there is an underpass under the freight rail line at Lloyd Street to ensure that emergency vehicles can pass through the area without being unduly impeded. It is also important to ensure that the underpass is constructed by the time the hospital is opened. In total, \$57 million is available in relation to the project. An additional approximately \$40 million was allocated by the government earlier this year as a result of a cabinet submission. That is in addition to the \$17 million that was previously available. From memory, approximately \$3 million or \$4 million is being provided by the City of Swan, and \$10 million is being provided by the federal government from a commitment some years ago. The balance, therefore, is being provided by the state government.

I expect design work will be getting underway soon. Main Roads is leading the construction of the project. In relation to the further extension of Lloyd Street over Helena River and through to the Great Eastern Highway bypass, which is certainly highly desirable—I can say that as somebody who drives around that area quite frequently—land has recently been acquired in the area. Some further negotiations are underway to acquire a further amount of land for the extension of the road. I will just ask Mr Hillyard to provide a bit more information about that, because he is right at the forefront of those sorts of negotiations. He will not go into the details of those negotiations obviously, but he is certainly very experienced in the process.

Mr T.M. Hillyard: There are probably two critical properties that are required to be completed to enable the road extension to be completed through the underpass and over the Helena River. One property has just settled within the last couple of weeks, and there is one final property that is very close to contract. That way the actual construction of the first stage of the road can be commenced. Some other ongoing property dealings for later stages of the project are also under negotiation.

Mr J.H.D. DAY: The first stage, which the \$57 million will cover, is from the Great Eastern Highway through to Clayton Street. It is not a very large distance, but a very important section of the road that, as I said, crosses the interstate freight rail line. It is important that the underpass is constructed in time for the opening of the hospital. That is what the first amount covers.

Mr P.C. TINLEY: I refer to the second dot point on page 547 of the *Budget Statements*. It is about the state planning strategy. The minister said in estimates last year that a draft planning strategy would be released by October. I have not seen it yet. Has it occurred? If it has not been released, when will it be released? Has the document gone to cabinet yet?

Mr J.H.D. DAY: The short answer is no, it has not gone to cabinet yet. I intend for that to occur soon. Therefore, obviously it has not been put out as yet. There is a lot of detail in the strategy. It is important that it is carefully considered. That will occur within the cabinet process, I would hope, in the next couple of months or so, and then we will put it out.

[7.50 pm]

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Mr P.C. TINLEY: A couple of months! The minister said he wanted it done by October. Now look where we are. The minister does not have a lot of pull around the cabinet table if he cannot get it up on the agenda. Is it done?

Mr J.H.D. DAY: I will take that last comment as somewhat unfounded. I assure the member that I have plenty of say on appropriate issues around the cabinet table.

Mr P.C. TINLEY: So this is not appropriate?

Mr J.H.D. DAY: This has not gone into the cabinet process as yet. It is being considered within government. There has been consultation with a number of other agencies in getting the planning strategy finalised.

Mr P.C. TINLEY: Is it done? Is it just administrative now or is it still in consultation?

Mr J.H.D. DAY: It is in the final stages of consultation. It affects just about every other government agency and every other government department in one way or another.

Mr P.C. TINLEY: That is why I am interested.

Mr J.H.D. DAY: There has been quite a lot of consultation. That will be completed soon, I hope. Obviously, I was a little optimistic in suggesting it would be out by October last year.

Mr P.C. TINLEY: As was Mr Pratten.

Mr J.H.D. DAY: Indeed, but there is a lot of detail in it. A lot of work has been done by Department of Planning officers and the Western Australian Planning Commission in its preparation. I certainly hope it will be out no longer than is necessary.

Mr P.C. TINLEY: Who is dragging the chain? Which departments are not getting their advice in?

Mr J.H.D. DAY: I would not make any assessment or draw any conclusion that any particular department has not been getting its advice in. It has been a matter of collating all of that and going through it in some detail—going through the strategy and ensuring that what is contained within it will be achievable. We have been going through it and it will be going through the cabinet process as soon as possible.

Mr P.C. TINLEY: Given the minister's overoptimism last year and him saying that it will go to cabinet over the next few months or thereabouts, is he willing to make a prediction about when we will see the gazetted document?

Mr J.H.D. DAY: It will not be gazetted because it will be going out for public comment initially. As I said, that will be as soon as possible; within the next couple of months, I expect.

Mr P.C. TINLEY: Before the election?

Mr J.H.D. DAY: Absolutely.

Mr P.C. TINLEY: At least we have 9 March as an indication.

Mr J.H.D. DAY: I am keen to get it out.

Mr P.C. TINLEY: It is a really important document.

Mr J.H.D. DAY: I agree that it is an important document. We have had a pretty good track record of getting a range of strategies—detailed and higher level—produced within the planning portfolio over the past nearly four years. This is an important one and I agree it should be out there as soon as possible.

Mr P.T. MILES: I refer to the third dot point on page 551, which relates to the geographic information services directions. I understand from local councils that this is quite a major tool that they use. Can the minister provide us with any update on this piece of software?

Mr J.H.D. DAY: The GIS directions project will deliver a substantial change from outdated GIS systems to provide much more contemporary technologies within the department. Obviously, having accurate locational information is extremely important in the planning arena. It is also intended to provide upgraded and new business tools as a foundation layer to enable the department to lead in planning, collaboration, simulation and modelling of the built and natural environments. Related to the wider or more advanced introduction of electronic processes within the department has also been the recent introduction of electronic lodgement and electronic payment for subdivision applications, in particular, form 1C applications, which is for the final clearance of deposited plans before new lots are provided with their titles. I think that process is now underway. If it is not, it will be underway very soon. I will ask Mr Thomson to add a bit more information in a moment. I know that the planning sector and surveyors and others involved in this process have been very keen for a much more efficient system to be operational. This will certainly provide that. It is also expected to extend to

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subdivision application form 1A within the next few months. The department aims to have all subdivision and relevant application processes available for e-lodgement and e-payment by the end of this year. Mr Thomson has been leading this process. I will ask him to provide some more information.

Mr N.D. Thomson: I will refer to the GIS system first. We sought deferral of capital expenditure for this coming financial year. We had a consultant provide a detailed report on the rollout of the GIS system. It is quite clear that we need to update our systems. The problem that we saw in the consultant's report was that we were going to be too dependent on the consultant in rolling this out. The decision to defer capital was based on value for money, to ensure that the department could build its own capacity internally to roll out the project in stages. The approach we are taking going forward with the GIS system is to focus on those areas of most need first. We have disaggregated the project to the greatest degree possible. The first thing we will do is look at the internal map viewer. That process is underway, and we are starting to procure some software to deliver that. In the last 12 months we had already prepared a pilot project for an external map viewer. We hope that that will be rolled out very shortly. The issue there is to deliver the mapping information in ways that are contemporary. It is a technical issue but it is really so that the information can be seamlessly brought in from applicants. When applicants put the information in, we can then put it out to view straightaway without having to go through a very extensive process of managing that internally and having people manipulate data, so all those processes will be automated. We have broken that up. That has led to our capture system. The other aspect of this is what we call a location information strategy around the protocols and what data sets we actually put up. It is quite complex, but the point is that we really are determined to ensure that the department stays in control of the process and we are not beholden to consultants; hence, the deferral and building up the capacity to roll that out.

If I may, I will comment on the e-lodgement part. In the past two years the department has been developing some capacity for the management of statutory applications online. A success story was the deposited plans component of subdivisions, so it is the last stage of the subdivision process. The electronic system that we have rolled out has reduced the processing time from an average of about seven days to two days. That has formed the basis for us to go forward with all the other applications. In the next few weeks we will have the first electronic lodgement process by which people can put in their applications and make payments online. Those steps will be rolled out for other statutory processes to the end of the year. We expect major process improvement as we roll that out across the statutory framework.

[8.00 pm]

[Mr M.W. Sutherland took the chair.]

Mr P.C. TINLEY: I refer to page 558 and a project that does not seem to have got a lot of attention—the Perth Waterfront project! Has any work been done on assessing the projected level of demand for the several lots that will be available for private development? Does that form part of a business case or an assessment of the market, which is the more general term?

Mr J.H.D. DAY: My understanding is that consideration has been given to those aspects. We certainly would not undertake the project unless we thought there would be significant demand for the lots that will be created. The most important part of the project is the creation of the public open spaces. The public realm will be substantial, and that has been well publicised in the various conceptual drawings that have been provided.

In relation to the private sector developments on the land around the project, we expect at least one site will be reserved for a major hotel, and it has been in the initial stage of the expressions of interest process undertaken for potential hotel developers. My understanding is that there has been a substantial level of interest from potential hotel developers. I will get some further comments in a moment.

In relation to the provision of commercial floor space, there has been a significant reduction in vacancy rates in Perth in recent times, and industry commentators have made observations on that. We expect that there will be a large amount of interest in the take-up of commercial floor space. I have the figures somewhere, but I am not sure whether I can find them. Certainly, some commercial floor space is being constructed in Perth at the moment, but there is not much more in the pipeline. I am advised that only 23 000 square metres of retail space has been made available in Perth over the past five years and a further 24 000 square metres will come online in 2012, but there will be no further retail floor space under construction past that time. We expect there will be substantial interest in the commercial and retail floor space. I will ask Mr Finn to advise on the consideration of these aspects in the early stage of the process and whether there was a business case.

Mr G. Finn: In relation to market demand generally for the Perth Waterfront project, over the last couple of years at least we have gone through a process of regular market sounding and industry engagement to determine the likely level of demand in the process of planning for the Perth Waterfront, particularly, the commercial, retail and residential components of the project, but also, as the minister mentioned, the hotel development, which is a

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particularly difficult class of development to deliver in the Perth market. All the evidence we had back from those market soundings and industry engagement is that there is significant demand across all sectors. In December last year, we released a registration of interest for the hotel development in particular. We went early with that registration of interest because we wanted to obtain as much information from that particular market sector as we could before entering into a formal expression of interest process. There was an extremely strong demand in response to that registration of interest, both nationally and internationally from global brand hotel developers. The Metropolitan Redevelopment Authority will release shortly a formal expression of interest to that market sector.

Mr P.C. TINLEY: Can we just focus on the hotel? It is noted in the design guidelines that, of the nine lots, a hotel development is preferred on several lots. If everything else is residential or commercial, has it been determined that a single particular lot must be a hotel? In relation to the expressions of interest, what has been the market response to the cost of the land that the proponent would have to buy? Will it be at some discounted rate or will it be the absolute best price? What are the pricing criteria?

Mr G. Finn: We have not specifically mandated a site within the project. We purposely have not done that because that then limits the opportunity of the industry to put together packages that might improve the commercial viability for hotel development. For example, some sites may be suited and some sites are particularly suited to stand-alone hotel developments that are not mixed with any other uses. Other sites lend themselves to a combination of uses within a particular development, allowing hotel developers that wish it to offset some of the costs against other developments such as residential or commercial developments. There is a range of responses about the value of sites and the market value under which a hotel development can operate. Some suggest that they could potentially deliver hotels on commercial rates; others suggest that they would require some degree of incentivisation. That is typical of the market sector generally in Perth, in Western Australia and, in fact, in Australia when it does not generally compete against other sectors in a straightforward way.

Mr P.C. TINLEY: Although I have focused this question on the Perth Waterfront project, the MRA, the business plan, market conditions and projections of forward demand, and given that the public purse will be responsible for bringing on a large supply of commercial, residential, retail and recreational space in the CBD area, has there been an overarching look at the business case for the timing of that? The context for the question is that the budget papers indicate that there was a less than anticipated uptake of the leases in the Riverside project. Does that not give a market signal that we need to be wary about the timing of this supply?

Mr J.H.D. DAY: The slower uptake in the Riverside project in the East Perth area refers to privately owned, non-government-owned land. Access to finance and the slower market generally has reduced perhaps the level of interest in and certainly the expected rate of development of those particular sites. I understand that there has not been any reduction in interest in the publicly owned sites that will be made available ultimately to the private sector. In the case of the Waterbank project within the Riverside area, the mandate has been given to Lend Lease as the preferred proponent. That project is still going ahead at the rate that was expected. I will ask Mr Henriques to add some additional information about that aspect and the overall supply issue in the Perth CBD.

[8.10 pm]

Mr S.M. Henriques: In terms of the release strategy and the timing of the staging of the three major projects, if we take the Perth Waterfront project, the Perth City Link project and the Riverside project, in particular, as being, over the next 10 to 15 years, from a state perspective, probably the biggest supplier of product into the market, they are very deliberately staged to ensure that we do not flood the market at any point in time. In reference to the business case build and how we release them to market, it very much takes into account the known pipeline of, in particular, the likes of commercial product coming into the marketplace at the moment. That is then worked out with the growing population and growing demand, and the two are matched together to form the release strategy over that time. The piece that Mr Finn referred to previously, in particular, with the Perth Waterfront project is mirrored across all those projects in the constant market sounding to ensure that the industry can take up and build the product as we release it.

Dr A.D. BUTI: I refer to the Metropolitan Redevelopment Authority on page 558, about which I have a few questions. As the minister knows, we had a very useful debate when the legislation was being dealt with, and some of my concerns, I think, are, unfortunately, being realised. I refer the member to the fourth and sixth dot points, which deal with the allocation to the Wungong urban water project and the Forrestdale business park. As is noted in those dot points, basically there is a developer contribution scheme for both those projects. These projects have been long in the making and significant revenue has been raised by the developer contribution schemes. I am hearing that there seems to be a drastic reduction in the number of staff physically located at the old Armadale Redevelopment Authority. From my understanding, the progress of these two projects has been severely curtailed by a reduction in the number of staff who were originally with the Armadale Redevelopment

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Authority and who have now been lost. As we know, the security that the employees of the former Armadale Redevelopment Authority had vis-a-vis those at the Midland Redevelopment Authority and the East Perth Redevelopment Authority was substantially inferior. Therefore, I am concerned about the reduction in the number of staff, and I am looking for the minister to give me some confidence that sufficient staff are dealing with these projects to overcome the corporate knowledge that has been lost and that the projects, which are wonderful projects, will proceed according to the progress that they were at one stage enjoying.

Mr J.H.D. DAY: I acknowledge that the member for Armadale was a member of the board of the previous Armadale Redevelopment Authority for some years, so obviously he has some knowledge of the projects that he has referred to. I entirely agree with the sentiment that, in establishing the MRA, Midland and Armadale need to have their interests continued to be met—together with Subiaco, for that matter, but Subiaco and the former East Perth area were under the one administration in any case. I also recall that the City of Armadale expressed some similar concerns to those expressed by the member for Armadale recently, but I think I am right in saying that there have been discussions between the MRA and the City of Armadale to reassure them that the City of Armadale is not being forgotten about in any sense. As I said, I agree that it is important that that does not occur.

I will ask Mr Henriques to provide more information on the details of staffing issues and staffing movements. However, just before we go to him, I make the observation that demand for urban land in the area is probably a factor in the rate of development in the area.

Mr S.M. Henriques: With regard to the staffing, the MRA spent the first half of this year populating a new structure and transferring individuals across from the previous four authorities into the one consolidated vehicle. We probably sit currently at about the 60 per cent mark for people in substantive positions. That includes the Armadale, Midland, Perth and Subiaco planning elements of the business. Currently, Armadale, in a planning officer sense and in a senior planner sense, has at least the same number of employees as any of the other regions, including the Perth region. Moving on from that, there is, I guess, a greater level of what we call the corporate elements, which tend to be head-office based, in terms of the wraparound of human resource systems, finance and corporate governance-type roles which are centrally located as opposed to individual areas and which provide what we would like to think is a greater level of support with the number of people available in that function.

Dr A.D. BUTI: I hope the minister might agree to take this as a request for supplementary information because I do not expect him to necessarily have these figures available. Would the minister be able at some stage to provide information as to how many staff in the whole Metropolitan Redevelopment Authority are working on projects in what would have been the old Armadale Redevelopment Authority precinct, as well as the Midland Redevelopment Authority, the East Perth Redevelopment Authority and the Subiaco Redevelopment Authority areas? That is the first question. Secondly, considering that funding for many of the projects in the old Armadale Redevelopment Authority area, particularly the Wungong urban water project and the Forrestfield business park, is a result of the contribution schemes, is the minister able to also provide a breakdown of the actual state government funding of projects taken away from contribution schemes in the various old authorities?

Mr J.H.D. DAY: Can the member explain the second part of his question?

Dr A.D. BUTI: Okay. There are two parts. Will the minister be able to provide for the Metropolitan Redevelopment Authority a breakdown of how many staff are working on projects in the Armadale Redevelopment Authority precinct vis-a-vis the Midland Redevelopment Authority, the East Perth Redevelopment Authority and the Subiaco Redevelopment Authority areas? Secondly, if we take out the contribution schemes, how much state funding is being directed to the old four authority zones?

Mr E.W.T. Lumsden: As to the first part of the question, the member is asking: what is the full-time equivalent effort going into that area? I think we should be able to do that. As to the second part of the question, I wish to clarify that for the member. In terms of the Wungong scheme, the Armadale Redevelopment Authority is the only redevelopment area that has a contribution scheme, as the member has outlined. That contribution scheme approach does not apply to Subiaco, East Perth et cetera—only to Armadale. It is quite a complex scheme, because that scheme is basically residential lot development, whereas other redevelopment authorities are more what I will call mixed-use commercial development. The only contribution scheme that the Metropolitan Redevelopment Authority is administering is for the area of Wungong, and that is related to ongoing contributions made by the subdivider when they subdivided.

Mr J.H.D. DAY: We will endeavour to provide by way of supplementary information as best as best possible the FTE breakdown in relation to the particular geographical areas under the Metropolitan Redevelopment Authority.

[Supplementary Information No A14.]

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[8.20 pm]

Dr A.D. BUTI: These are my last questions on this issue. I believe that the acting CEO is on leave. Will he be returning to the authority? When will the minister be in a position to appoint a permanent CEO?

Mr J.H.D. DAY: The process for the appointment of CEO of the Metropolitan Redevelopment Authority is underway. It was advertised towards the end of last calendar year and the processes are underway. I expect those processes will be concluded fairly soon, but there are various aspects of the Public Sector Management Act 1994 and so on to be complied with. That process is underway.

The CHAIRMAN: Just before we take the next question, I note that there are five divisions to be taken between seven o'clock and 10 o'clock and we are still dealing with the first one, planning. We still have divisions on the Western Australian Planning Commission; the Department of Culture and the Arts; the Chemistry Centre (WA); and the Department of Commerce, service 3, Industry, Science and Innovation. Are members happy to keep going?

Mr P.C. TINLEY: There is nothing else happening in those other areas. It is all here.

The CHAIRMAN: Members are happy to keep going.

Mr F.A. ALBAN: I refer to the fifth dot point under "Asset Investment Program" on page 558 of the *Budget Statements*. I have noted discussion of the possibility of hotel accommodation within the Perth Waterfront project. There has been some recent media reporting and concern expressed by both business and tourism sectors over the lack of hotel rooms in Western Australia. How will these developments address these issues?

Mr P.C. TINLEY: He has just covered it.

Mr J.H.D. DAY: The issue has been raised to some extent but I believe I can provide some additional information. As has been observed on numerous occasions, there is a shortage of hotel rooms in the Perth CBD, and it is not easy to attract new developments. In relation to the Perth Waterfront project, which is now known as Elizabeth Quay, and the development of the Perth City Link and the Riverside project, we expect that there will be a substantial provision of additional hotel rooms. In the Riverside area, for example, we expect an additional 440 hotel rooms will be provided, including the 236 short-stay luxury apartments that are close to completion by the Frasers Property group. That building, which is down towards the eastern end of Adelaide Terrace on the northern side, is close to completion. In addition, we expect to include over 200 hotel rooms in the Waterbank project. In the Perth City Link area, about 300 rooms for short-stay accommodation are expected to be provided. In the expressions of interest process that is underway, strong consideration is being given to ensuring that hotel rooms or a significant hotel development is part of the project. In relation to the Perth Waterfront, or Elizabeth Quay, as was explained earlier, we expect a significant hotel development or possibly more than one hotel development on that site. In relation to the Perth City Link, I will ask Mr Henriques to provide a bit more information about the approach that is being taken to provide hotel rooms.

Mr S.M. Henriques: With Perth City Link, and not uncommon to how we released the expression of interest and subsequent process for the Waterbank precinct in Riverside, we actually put it as a requirement within the sales process. Very specifically, one of the benefits that we see of releasing precincts of that sort of scale is the ability to include a requirement for the likes of a hotel and those more difficult asset classes—to build them within that process and give the development industry the best possible chance to actually bring them out of the ground. To date, that has been successful in terms of the outcome of the Waterbank release, and likewise we are hoping for a similar result in Perth City Link.

Mr J.H.D. DAY: I will also add that the City of Perth recently initiated, or is very close to doing so, a planning scheme amendment to provide plot ratio incentives and a relaxation of existing requirements to encourage hotel development within their area.

Mr J.N. HYDE: In relation to the total appropriations on page 545 of budget paper No 2, can the minister please update us on the parliamentary precinct master plan and proposals to build over the freeway in front of Parliament House? The Premier said in 2010 that \$96 000 had been spent on urban design and quantity surveying expenses. What plans, recommendations and costings have been done within the Department of Planning or the minister's other agencies?

Mr J.H.D. DAY: Which dot point is the member referring to?

Mr J.N. HYDE: Total appropriations—anything to do with planning and government; you are the minister.

Mr J.H.D. DAY: I am the Minister for Planning; that is correct. This is not primarily an issue that the Department of Planning has been dealing with. There has probably been some input around the parliamentary

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precinct, but in relation to any possibility of building over the freeway, that is not something the department has had any detailed consideration of.

Mr E.W.T. Lumsden: This is primarily a reference to what I will call a competition—it probably was not really a competition in its own right—or a gathering of ideas by the City of Perth, which put on a display in the Perth Town Hall. We assisted in that process but we were not doing the work. I will pass over to Mr Finn to give some more detail. That is my understanding of it.

Mr J.H.D. DAY: In short, there is no —

Mr J.N. HYDE: The Premier said that \$96 000 of government money had been used.

Mr J.H.D. DAY: The member should perhaps direct the question to the Premier.

Mr J.N. HYDE: You are the planning minister.

Mr P.C. TINLEY: It came out of your vote, minister.

Mr J.N. HYDE: It is a planning precinct.

Mr J.H.D. DAY: I am advised that it was through the Office of the Government Architect or thereabouts, which is not directly under the planning portfolio.

Mr P.C. TINLEY: Where is it?

Mr J.H.D. DAY: I think the Office of the Government Architect is a responsibility of the Minister for Finance.

Mr P.C. TINLEY: So the bean counter has got the architect and the Minister for Planning does not!

Mr J.H.D. DAY: Finance has within it building management and works.

Mr A.P. JACOB: I bring the minister's attention to the Northbridge redevelopment works under "Completed Works" on page 558 of budget paper No 2. The Metropolitan Redevelopment Authority has invested a considerable sum in the Perth Cultural Centre. Could the minister fill us in on the result of that investment?

[8.30 pm]

Mr J.H.D. DAY: The Perth Cultural Centre has become a very vibrant and active area over the past two to three years following a very conscious decision by the government to improve the amenity and safety of that area. As a result of the expenditure and all of the efforts that have been put in, particularly by what was the East Perth Redevelopment Authority and is now the Metropolitan Redevelopment Authority, the Department of Culture and the Arts and the cultural institutions around that area, it is now a very popular precinct. As I said, that has been achieved through a number of measures, including upgrading the facilities in the area, providing some active programming and a whole range of events that have taken place in the Perth Cultural Centre, and ensuring, as we might discuss under the budget of the Department of Culture and the Arts, that institutions like the Art Gallery of Western Australia, the Museum, the State Theatre Centre and so on are able to provide significant exhibitions and programs.

Some of the works that have been undertaken include the installation of additional closed-circuit television monitors and a substantial upgrade to the lighting in the precinct. Free wi-fi is now being provided. There is the LED screen, of course, which I think serves a very useful purpose in the area, and there are nightly security patrols. The urban orchard has been installed and there is also the wetland in the pond area close to the Art Gallery. As an example of events that have occurred, when the Commonwealth Heads of Government Meeting was held in Perth last November, about 20 000 people visited what was then known as the People's Space in the Perth Cultural Centre precinct. A range of events were provided and it was a very active and successful space during CHOGM and also now pretty well on a year-round basis. I ask Mr Henriques to add a bit more information about some of the activities that the Metropolitan Redevelopment Authority is undertaking.

Mr S.M. Henriques: We have probably over the past two years specifically put the effort into making the Perth Cultural Centre feel safer and more inclusive as a space. That has resulted in a number of events—the minister touched upon some of those—that have now become a regular feature of the space. The William Street properties and the strip down William Street in conjunction with City of Perth works to upgrade the whole street, which really changed it from a throughway to a more pedestrian-friendly environment, has been a significant part of that and blending the Perth Cultural Centre into the Northbridge area as a whole. I guess testament to that was the recent heritage award for the William Street restoration works themselves.

Mr P.C. TINLEY: Going back to the Metropolitan Redevelopment Authority waterfront project, it is a heritage site, and I believe that everything on it represents the heritage of that site. Has the contract been tendered for the

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removal of the Moreton Bay fig trees; and, if so, what is the value of that contract, how many trees are being transplanted and to where? What is happening with all the trees?

Mr J.H.D. DAY: As I understand, the transfer removal of trees and so on is part of the overall contract for the forward works, which is approximately \$50 million in value, awarded to the Georgiou Group. Work started, as everybody is aware, about four or so weeks ago. It is being undertaken by Georgiou and I am not aware of any breakdown in relation to the trees specifically. That is part of the overall forward works contract.

Mr P.C. TINLEY: Can the minister provide that by way of supplementary information? It must have been factored into the Georgiou Group's budget.

Mr J.H.D. DAY: It is part of the overall contract for —

Mr P.C. TINLEY: Sure, but the component for dealing with the trees must be a line item within that scope.

Mr J.H.D. DAY: It might have been within Georgiou's internal costings, but it —

Mr P.C. TINLEY: Did Georgiou just bowl up with a \$50 million tag and no itemised list? It sounds like a tradesman's quote, so surely there must be a bit of detail in it.

Mr J.H.D. DAY: The contract awarded to Georgiou is for all the forward works, which includes archaeological excavation; demolition or deconstruction of the existing structures, as the case may be; and the removal of trees where that is appropriate because some of the trees are being retained. It is an overall contract for all those things.

Mr P.C. TINLEY: How many trees are being cut down and how many are being moved?

Mr J.H.D. DAY: I do not have that information specifically —

Mr P.C. TINLEY: They are heritage, so the minister must have signed off on how he was going to deal with that.

Mr J.H.D. DAY: I am not sure that the trees themselves are heritage. The precinct has been —

Mr P.C. TINLEY: Is the Chinese restaurant —

Mr J.H.D. DAY: The Florence Hummerston building will be deconstructed and relocated somewhere at some stage.

Mr J.N. HYDE: Is that part of the \$50 million contract with Georgiou?

Mr J.H.D. DAY: Yes.

Mr P.C. TINLEY: Is compensation for the business owner part of that \$50 million?

Mr J.H.D. DAY: It would not be part of the contract because, obviously, Georgiou is not responsible for compensating the current tenants, but —

Mr P.C. TINLEY: Sorry; is that part of the \$50 million of forward works?

Mr J.H.D. DAY: No.

Mr P.C. TINLEY: So the compensation piece is separate.

Mr J.H.D. DAY: The compensation is not part of the \$50 million. The deconstruction of the building is a second contract apparently. But in relation to the compensation of the tenants of the building, negotiations are underway and there is no final figure at this stage, of course, but that would be a separate item.

Mr P.C. TINLEY: Going back to the trees—the minister got a bit distracted—the minister cannot tell me how many trees will remain, how many will be transplanted and how many will be cut. Is the minister able to provide me with that information as supplementary information?

Mr J.H.D. DAY: No, not at this stage because the possibility of trees being relocated is either under discussion, or expressions of interest are being provided by local government authorities or organisations that may want to take some of the trees. Therefore, as I understand it, none of that is finalised.

Mr P.T. MILES: I refer to the fourth dot point on page 547, which notes that the department manages land including Whiteman Park, which is 13 000 hectares of regional open space. I find it quite odd that the Department of Planning manages this park. Is there any plan to maybe put it into an agency other than Planning?

Mr J.H.D. DAY: The obvious agency to manage a park is the Department of Environment and Conservation. It costs about \$6 million a year to manage the park and that funding comes out of the metropolitan region improvement fund. It is certainly a very well run park that has a range of public facilities. It is heavily visited.

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With the growing population in the north east corridor, it will obviously become more heavily used. In an ideal world, management of the park would be transferred to another agency, but obviously if it is not being operated by the Planning Commission, the expense of operating the park would need to come out of the consolidated account. That is an option for the future; it is the desirable thing to occur at some stage. But obviously funding for that has to be provided and it is a convenient arrangement for everyone, I guess, while it is being funded in the way that it is.

Mr T.M. Hillyard: Whiteman Park itself is just over 4 000 hectares of the 13 000 hectares managed by the Planning Commission. It has a visitation of close to one million people a year. The visitation has increased dramatically since the park introduced free entry and it has continued to increase its attractions, both the environmental attractions associated with the wildlife and also groundwater. There have been discussions with a view to progressively transfer the park to the Department of Environment and Conservation's management, but no decisions have been taken yet.

Mr P.C. TINLEY: I refer to the Perth Waterfront project on page 558 of the *Budget Statements*. What is the current estimated date for the closure of Riverside Drive in the works program and for how long does the minister estimate that it will be closed?

[8.40 pm]

Mr J.H.D. DAY: The member means redirecting Riverside Drive around to the north —

Mr P.C. TINLEY: Okay; I refer to the reduction from four lanes to two lanes in the redirection.

Mr J.H.D. DAY: My recollection is that in 2013 it is expected to be closed in that area and traffic redirected around to the northern side, but a whole range of roadworks are being undertaken prior to that occurring to ensure appropriate traffic management, in particular on Riverside Drive between William Street and the roundabout near the Narrows Bridge. The roundabout near the Narrows Bridge is being made two-way and works will be commencing soon. Other changes are being made to the William Street—Mounts Bay Road intersection, for example, and other changes will occur in the area. The operative date in relation to Riverside Drive itself is around the middle of next year once the other works have been undertaken.

Mr P.C. TINLEY: What about the third lane in the Graham Farmer tunnel?

Mr J.H.D. DAY: That is expected to be completed at the same time as the changes made to Riverside Drive.

Mr P.C. TINLEY: When was the latest traffic modelling on the impact of this redirection completed?

Mr J.H.D. DAY: I ask Mr Finn to comment.

Mr G. Finn: Several rounds of traffic modelling have been undertaken on the Perth Waterfront. Initially, the modelling undertaken looked at the regional operational model down to SATURN—simulation and assignment of traffic to urban road networks—modelling, and then down to Paramics microsimulation modelling. That fits into the design work undertaken for the Perth Waterfront master plan. An additional higher order set of modelling has been undertaken recently, led by the Department of Transport, in collaboration with the Department of Planning, the City of Perth and others. That is looking at some of the broader redistribution patterns likely to occur in the context of not only the Perth Waterfront project, but also some of the other major projects that are happening around the city—and also in response to what is expected in the high order general background growth in transport as the city grows. That modelling was undertaken as recently as early this year.

Mr P.C. TINLEY: Is that modelling complete now?

Mr G. Finn: That modelling has been completed and I understand it formed part of a recent release by the Minister for Transport.

The CHAIRMAN: Member for Willagee, any questions must be directed to the minister.

Mr P.C. TINLEY: Sorry; I was looking at the minister. Will the minister be able to provide that modelling by way of supplementary information?

Mr J.H.D. DAY: The Minister for Transport made it publicly available a month or two ago, so it has already been made available.

Mr A.P. JACOB: While we are still on page 558, I refer to the asset investment program. A lot of concern has been coming from the property industry over the future of commercial and office space in Perth's CBD, and I wonder how the Metropolitan Redevelopment Authority developments will help to address this issue.

Mr J.H.D. DAY: To add to the information I provided earlier, it is expected that in relation to the vision of commercial office space, for which a substantial demand is developing, and the Perth Waterfront development—Elizabeth Quay, as it is now known—150 000 square metres of office space will be provided, along with an additional 39 000 square metres of retail space. In the Perth City Link project, we expect 244 000 square metres of commercial and retail space to be made available to provide for about 13 500 new employees in that area. In

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the Riverside project, we expect 90 000 square metres of commercial and retail space to be provided. Between them, the three projects will make a substantial contribution over the next decade to the addition of commercial floor space and also some retail space in the Perth CBD, and will help to develop the economy quite substantially. As I mentioned earlier, there are relatively low vacancy rates now for floor space in the Perth CBD and we do not expect any significant lack of demand for the additional amounts to be provided. A report was released by Knight Frank in March this year that indicated that office space available for lease is at 5.6 per cent, and the Property Council of Australia's total vacancy rate was 3.3 per cent for January 2012; this is a significant reduction from the 7.8 per cent in July of last year. Premium rate vacancies are now at a level of only 0.1 per cent. I understand that A-grade vacancies have fallen from 6.6 per cent to 1.4 per cent. We believe there will therefore be substantial demand for what will be provided.

Dr A.D. BUTI: I refer back to the Perth Waterfront project and the announcement by the Premier that it will be called Elizabeth Quay.

The CHAIRMAN: What line item is the member talking about?

Dr A.D. BUTI: The first dot point on page 558 refers to an allocation made to the Perth Waterfront project. The name is relevant, and the name the Premier has announced is Elizabeth Quay. I wonder whether it has been approved by the Geographic Names Committee.

Mr J.H.D. DAY: The name was put to cabinet and approved. The primary responsibility is that of the Premier, as he has made clear, and he has also made clear that he discussed the proposal with the Queen when he met her last year.

Mr J.N. HYDE: The Minister for Lands is responsible.

Mr J.H.D. DAY: My clear advice is that the Geographic Names Committee does not need to approve the name. It is not unusual for governments to make decisions about the name of a whole range of major public facilities such as Fiona Stanley Hospital —

Mr J.N. HYDE: But the government does it through the Minister for Lands, not the Premier.

Mr J.H.D. DAY: The naming of suburbs or street names and so on normally goes through the Geographic Names Committee, but governments do make decisions at a higher level about major projects.

Mr P.C. TINLEY: The Premier has made decisions.

Mr J.H.D. DAY: I said it was a cabinet decision taken to cabinet by the Premier and supported by cabinet.

Mr P.C. TINLEY: Which cabinet—when? Which cabinet meeting?

Mr J.H.D. DAY: Recently.

Mr P.C. TINLEY: Recently? Was it the one that convened on the phone this afternoon?

The CHAIRMAN: Member for Willagee, this is not a budget question.

Mr J.N. HYDE: Minister, will this have the same legal status as Patersons Stadium then, because it is not a geographic name? It will be a business name like Patersons Stadium, and so it could be changed again.

Mr J.H.D. DAY: Why—does the member for Perth have some bright idea?

Mr P.C. TINLEY: This has to be ratified by the Geographic Names Committee?

Mr J.N. HYDE: Patersons Stadium does not appear in the directory because it is not legal.

Mr J.H.D. DAY: This is clearly a different sort of project to a football stadium. To continue my previous examples, there was the naming of Forrest Highway, which was a cabinet decision. There was the naming of Fiona Stanley Hospital under the previous government. A whole range of highways and so on have been named. I presume Tonkin Highway, when that was named, would have been a decision of the then government.

Mr J.N. HYDE: They were new; that is not changing an existing name.

Mr P.C. TINLEY: Does it have to be retrospectively approved? Does it have to be approved?

The CHAIRMAN: Just hold on a minute, please. How is the naming of Elizabeth Quay a budget item?

Dr A.D. BUTI: It is very important because —

The CHAIRMAN: It can be important, but how is it a budget item?

Dr A.D. BUTI: Money has been expended on the —

The CHAIRMAN: On the naming of Elizabeth Quay?

Dr A.D. BUTI: Yes, as part of the Perth Waterfront project.

The CHAIRMAN: Then ask the minister about a budget item on how much it cost to name Elizabeth Quay, not this smoke-and-mirrors-type question.

Mr P.C. TINLEY: Mr Chairman, we will ask our questions.

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The CHAIRMAN: I will tell members whether it is a budget question or not. This is now becoming smoke and mirrors.

Mr J.N. HYDE: The smoke and mirrors are over there. The Chairman cannot rule that question out of line.

The CHAIRMAN: I will rule what I want out of order. Now get back to the budget, please.

[8.50 pm]

Dr A.D. BUTI: It is the budget.

The CHAIRMAN: If it is not in the budget, it is not a budget expenditure.

Dr A.D. BUTI: It is the budget. The first dot point on page 558 states that \$167.3 million is being spent on the Perth Waterfront project. Therefore, the naming of the Perth Waterfront project is very important to the overall success or otherwise of the project. Of course we have the right to —

Mr P.C. TINLEY: The Premier is on the record as having made a statement —

The CHAIRMAN: Just hold it a minute. Do not shout at me, member for Willagee!

Mr P.C. TINLEY: Do not shout at me!

The CHAIRMAN: I am the chairman of this meeting.

Mr P.C. TINLEY: Well, chair it!

The CHAIRMAN: Member for Willagee, I call you for the first time. Member for Armadale, if you want to ask a question on how much it cost or where the money was spent on the naming of this Elizabeth Quay, please ask the question.

Dr A.D. BUTI: I will ask the question then. Thank you, Mr Chairman. Minister, in regard to the naming of the Perth Waterfront project, what percentage of the \$167.3 million will be spent on allocating the plaques and the other various names that will have to be reflective of the fact that it has been named after our Queen? Surely it will not just be a small little sticky tape sign on one of the pylons of the Perth Waterfront project. Has consideration been given to how expensive the decision to name it after our Queen will be?

Mr J.H.D. DAY: Whatever costs may be involved in the production of some directional signs and any other similar structures in the future costs would be the same as if it were called the Perth Waterfront or any other name. Therefore, I do not believe there are any additional costs from it being called Elizabeth Quay.

Dr A.D. BUTI: I have a further question. Has consideration been given to the fact that naming it Elizabeth Quay may not be a major pulling power? It may not attract people to come to the waterfront, which of course has budgetary consequences. Should it not have been given an iconic Western Australian name to be a stimulus for people to come to the Perth Waterfront?

The CHAIRMAN: Member for Armadale, I have asked you to keep your questions to financial matters.

Dr A.D. BUTI: It is a financial matter.

Mr P.C. TINLEY interjected.

The CHAIRMAN: I am not talking to you, member for Willagee.

Mr J.N. HYDE: Point of order, Mr Chair. In relation to the budget, it is the convention that if there is a budget item, be it a dot point or a numerical number, it relates to the budget and questions about it are valid. I ask you to allow the member to —

The CHAIRMAN: Member for Perth, I have listened to your point of order. If the member for Armadale wants to ask a question about whether the cost of calling it Elizabeth Quay will be more expensive than calling it some Western Australian name, that is in order. However, I do not want this business of saying “do you think” and then the question has nothing to do with the budget item.

Dr A.D. BUTI: Unfortunately, Mr Chairman, I must say I disagree with your ruling there, because surely whether a name will attract people to the waterfront is a budget item. It goes to the business case of the whole Perth Waterfront project. My question is: how would agreeing to the name Elizabeth Quay attract Western Australian visitors to the waterfront and how would international visitors who do not have Queen Elizabeth as head of state have any idea what connection Elizabeth Quay has to Western Australia or to the waterfront project? It could refer to the Minister for Education, Liz Constable. What does it mean for someone who does not live under the reign of Queen Elizabeth II?

Mr P.T. MILES: Point of order. I do not think that is a budget item. That is asking for an opinion.

The CHAIRMAN: There are no points of order in estimates. Minister, please answer this with some finality and let us move on.

Extract from *Hansard*

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Mr J.H.D. DAY: I think the opposition is getting creative with its questions which, as you say, Mr Chairman, do not really relate to the budget. The business case and related processes have predicted that there will be approximately 4.3 million visits to the Elizabeth Quay waterfront project a year. It will therefore be a very heavily visited site. A lot of work and effort and expertise have been put into ensuring that it will be a very successful, active and vibrant precinct for Western Australian residents and for visitors to our state. It will be an important tourism attractor and it will be an important destination for people to live here to come and enjoy the CBD, to make better use of the Swan River and to have an area that they will enjoy visiting. That is what the project is all about. Whether it is called Elizabeth Quay or any other name probably does not make a huge difference to that. The decision made by cabinet on the recommendation of the Premier has been an appropriate one. Clearly, there are a range of views in the community. It will be known as Elizabeth Quay in the same way that Victoria Quay in Fremantle Harbour has been known as that for a long time and nobody objects to that at all.

Mr P.C. TINLEY: I propose that the committee now move on to division 48.

The appropriation was recommended.