

**HOPE VALLEY–WATTLEUP REDEVELOPMENT AMENDMENT BILL 2010**

*Second Reading*

Resumed from 25 November 2010.

**MR R.H. COOK (Kwinana — Deputy Leader of the Opposition)** [4.46 pm]: I rise to make some comments on the Hope Valley–Wattleup Redevelopment Amendment Bill 2010. In doing so, I indicate that I am the lead speaker on this bill on behalf of the Labor opposition. We have been fortunate enough to receive a briefing on this bill. We received that briefing about three hours ago. This is not an extensive or complex bill, and I am relatively new to this place, but I still find it extraordinary that the briefings for this side of the chamber come but hours before the debate is scheduled to resume and, one assumes, voted on in very short time. This is the Parliament of Western Australia. This is not a committee of a local sports club. I think it is extraordinary that members have to make decisions about their level of support and their position on these matters off the back of such late advice from the government on the content of the bill and a briefing on the bill. However, I am able to say that the Labor opposition is happy to support this bill, but we do so, first of all, by making some comments in the second reading debate.

As I said, this is not a particularly complex bill. It makes some fairly minor changes to the substantive act. These changes are important but not complex. It deletes references to the Fremantle Rockingham Industrial Area Regional Strategy document, which was a policy document that guided a lot of the development of the industry zone at latitude 32, and clarifies the legal status of the master plan for the ongoing development of land within the industry zone area. This will allow bodies such as the Western Australian Planning Commission and, I assume, the local government authority to more forcefully apply the planning requirements for this area, consistent with that master plan. This can perhaps provide a bit more order in the way this area is developed. I was informed by government advisers that this bill will make very few changes to the current arrangements in the way the area is administered and the land is developed. That is a source of some disappointment, because it is important for this chamber to note the difficulties that continue to plague this community as it transitions from an area of residential, semi-rural and rural use to one of industry use. Although this is a particularly difficult process for any community to go through, the hardship and the difficulties that this community have faced should not pass without comment.

One of the important changes that this bill makes is to clarify the legal basis of the role of developer contributions to the area. This is particularly important as one key development inside the Latitude 32 industry zone is the Flinders precinct, which is one of the earliest pieces of industrial land that was made available on the market and which is now starting to take shape. LandCorp is the owner of the parcel of land on which the Flinders precinct sits, and it has invested a lot of money to make that land more attractive to potential customers by creating more amenity in the area, building the visual surrounds and making sure it is a suitable patch of land for industry development. I am referring to roads, landscaping, street lighting, levelling of sites and so forth. Obviously, as the developer in this instance, the contribution that LandCorp is making to the Flinders precinct is very important. Indeed, developer contributions will be very important in bringing the whole area forward in a manner that continues to enhance the amenity of the Latitude 32 industry zone.

As I said, the development of Latitude 32 has not been a happy experience for the people of Hope Valley and Wattleup. This development has been plagued by delays and has seen some extraordinarily unusual processes that have not provided any clarity or surety for the members of the community who are obviously concerned about the future value of their properties and the functioning of their farms, and who want certainty in how the area might be developed. There has been a stop–start arrangement in siting the intermodal transport hub, and people’s land has essentially been in limbo as they await the tortuous outcomes of the planning and development process. They are none the wiser about the impact this will have on their lives in the short term and the values of their property in the long term, and how they will be able to transition their properties from their current rural zoning to industry zoning, or how they are going to be able to move from that area to a more suitable residential area.

Corporate behaviour continues to plague this community. At the weekend I attended a rally organised by the member for Cockburn and a community group called LIME—Lime in My Environment—as they protested against the activities of Cockburn Cement and the emissions that they believe are having a serious impact upon their health, lifestyles and community.

As we move down the Kwinana strip, those concerns are equally important to the older residents of Hope Valley. There members will find a group of people who are very disillusioned and angry about the impacts that they believe various heavy emitters in the Kwinana strip have had upon their health. They will talk at length about the campaigns that they have run over the years to identify the source of their health outcomes and for some form of compensation or justice to be delivered to them as they continue to balance both their expectations of continuing

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to live a healthy life into the future and their attachment to the properties on which they live. One particular resident who comes to mind is Ray Lees, who is a tireless civil servant for Cockburn. I think that is the best way to describe a man who has been both a Mayor of Cockburn and a long-time campaigner for the benefits of his community. In Ray we have this great conundrum of a man who is attached to his market garden, to the property in which his family grew up and in which he lives with his wife, but which now, potentially and sadly, is the location of a lot of the ill-health issues that he is managing in his later life. It is a difficult process that we go through when we develop industrial zones on what are essentially brown-field sites.

Government behaviour continues to impact on this community. We see a community that feels it is kept in the dark by government processes and not kept informed about what is happening in the future. In particular, the lead proponent here has very much a conflict of interest in that it is both property developer and planner and lead agency for the government. A lot of these people feel they are caught in a bind in a situation in which they cannot get any level of justice or support through an organisation like LandCorp, because on the one hand they have to go to LandCorp to appeal for redress from the issues that impact on them, and on the other hand LandCorp is the proponent seeking to develop the land on which they are currently living.

**Mr J.H.D. Day:** LandCorp is not the approving authority—the Planning Commission has that role.

**Mr R.H. COOK:** As the minister said, the WAPC has a very important role, and as I go along I will talk about the confusion that is played out between the role of the WAPC and LandCorp. Firstly, I will go to the issue of the delays. When the Latitude 32 legislation was first brought to this place in about 2000, it signalled a drastic and radical change for land use in this area. I am talking about the development of some 1 400 hectares in what would be one of the biggest and, one would hope, one of the most productive industrial zones in the Perth south metropolitan area. It was championed by the previous Minister for Planning and Infrastructure, Alannah MacTiernan, the former member for Armadale. The former Labor government was creating a vision and a drive going forward for the area, and people could see a future for the area. As the original legislation was introduced in 2000, I assume this development has spanned governments, but was very much driven in the 2000s by the former Minister for Planning and Infrastructure. There was very much a sense of momentum in the area as people understood what was going on and where this journey was going to take them. There was discussion about the western trading coast, which was a consolidation of the Rockingham, Henderson and Kwinana industrial areas to create a consolidated marketing vehicle for driving a lot of economic development through this very important hub of Western Australia's economy. During this period we saw a rapid transitioning of this community from one of residential, semi-rural and rural to one of industry. I do not think there is any particularly clean or pleasant way to go about some of these transitions, but perhaps the key is to do it swiftly, with purpose and in a manner in which people can plug into a process that they understand and that is transparent, and by which people's properties can be acquired under just, transparent and accountable circumstances.

Many people sold their properties to the government during this period. Any casual observer driving down Stock Road in this area will see what was once the community of Wattleup and Hope Valley. There are street lights and parks that are now unused areas that were essentially the skeleton of the previous urban area. The old Hope Valley school is now being relocated holus bolus to the Wandi community reserve to preserve the historical value of that school building. These buildings are being removed to ensure the area is cleared to minimise the impact of what will be, essentially, enforced urban deconstruction of this area. It is a process that needs to happen with deliberate purpose and vision, and needs to happen quickly. It is therefore fairly sad that we have seen very much a slowing of the acquisition of properties, and a slowing of moving forward with industrial development to the point at which we only now see the Flinders precinct brought up to development. But still we are left with what is essentially the skeleton of an old community and some remnants of what was once obviously a fairly proud part of our urban area.

We have seen a withdrawal of resources for this development process. Where previously LandCorp was very keen to engage with property owners to talk about acquisition on fair terms, we now see a very much coy LandCorp, which is not so prepared to engage in the process. Of course, we have also seen, through the economic times in which we live, the devaluing of some of these properties. That adds to the stress and sense of bewilderment by a lot of people in the community. They see not only their community dismantled, but also their property values reduced and a sense of despair is starting to encroach upon them.

There is a lack of resources. A mere \$6.6 million a year, I think, is given to LandCorp—the minister can feel free to correct me on that figure—for the maintenance and acquisition of properties in the Latitude 32 area.

**Mr F.M. Logan:** Owning the townships.

**Mr R.H. COOK:** Yes. This is an extraordinary low sum for people who continue to live there and are looking for some sort of future and some way of exiting this area. We also see a lack of momentum, a lack of drive and a lack of vision for this area. When driving past the area, very little progress can be seen in the development of the

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industry zone. Those familiar with the Flinders precinct know to cut left down Hope Valley Road to see what is going on in the area. That gives some sense of hope. Otherwise we see a fairly desolate and half-dismantled community sitting around wondering what will happen next. This lack of momentum is borne out by half-finished landscaping on some streetscapes. On exiting Stock Road to Rockingham Road, one drives into the area of Naval Base. It breaks one's heart to see the state of the buildings and the half-finished landscaping in that area. It makes us wonder: an investor looking for an advanced heavy industry zone to invest in would drive through Naval Base and say, "My God, look at the decay here; look at the way they treat the buildings in the area; look at the way the gardens and bushland are not properly kept." An investor would wonder about the value the government of the day places on the area.

**Mr F.M. Logan:** Community members have approached me about it.

**Mr R.H. COOK:** We would not have thought this was considered to be the powerhouse, the driving force, for heavy industry in Western Australia. The member for Cockburn said he has been approached by members of the community. I too have been approached by members of the community, in particular, Mr John Gandozi, who asks, "What's going on?" It seems that, in some respects, Naval Base was thought of as the entry point for a lot of this heavy industry development, and now very little seems to be going on. Of course, the Town of Kwinana has played its role in moving forward some of that landscaping, but I understand it was essentially a joint state and Town of Kwinana funding model for that beautification and redevelopment process, which has now, essentially, stalled. Minister, it is important that the government take pride in what is going on with Latitude 32 and put some work into making sure it looks like we value the development and see it as an important part of Western Australia's industrial development.

I previously described the community's bemusement, disillusionment and, indeed, anger about the processes being undertaken and the way they believe they are being treated by LandCorp and other government agencies in terms of their futures. I had the privilege of attending one of the community liaison group meetings yesterday at the City of Cockburn, chaired by Mayor Logan Howlett. Their aim is, essentially, to provide a forum and a working group for local residents to be involved in discussions with LandCorp over the process. I confess that it was the first meeting I had been to. I am remiss in not getting to them earlier. The council thought I was receiving notice of the meetings, and I thought I had been forgotten. Yesterday was the first time I had been to a meeting. What surprised me was that I walked into a forum that could be characterised only as one of distrust, anger and extreme scepticism and cynicism by the residents about the way they were being treated by the government and the information they were being provided about their own futures and those of their properties. There was extensive discussion in particular about a business operating in the area. The sheer frustration from the residents in the meeting was palpable as they tried to extract information about this particular business from the government representatives. By the way, I think the government representatives did a pretty good job and made a genuine effort to provide information, but they were clearly frustrated about the level of information they were able to provide to the group and which the group was hoping to receive.

An example of how the residents feel has been exposed in a number of articles that have appeared in the local papers over the past few years. I want to refer to a couple of observations some of the residents have made over the way they feel they have been treated by LandCorp and other government agencies. For instance, one particular Wattleup representative, Janet Moore, was quoted in a press article as saying that neither LandCorp nor the Western Australian Planning Commission had contacted her about the intermodal transport hub decision, and that had huge consequences for the remaining homeowners in the town centre. The article states —

"We in the town site are always the last to know," she said.

Community representative Gary Taylor said people were fed up with LandCorp's haphazard approach to planning and land purchases. "The communication has been rubbish from start to finish," he said.

"I don't trust LandCorp's track record full stop. LandCorp has changed the goal posts every year."

The landowners feel that they are, essentially, in limbo. They cannot offload their properties in a manner satisfactory to them, and they do not feel that LandCorp is providing them with that opportunity, but by the same token they do not know what the future will hold if they try to stay around there.

Another Wattleup resident is reported as having said that —

... older people who wanted to sell were in limbo as they did not know what would happen in the future and the state was not ready to pay for their homes, yet they could not sell them on the open market.

Members can imagine the difficulties these residents are facing. They want to put their houses on the open market, but they do not have that option because potential buyers will know it would be a bad investment because there will not be a long-term community presence, but they cannot get satisfaction through LandCorp's processes. That could be because they believe their houses are worth more than the two valuations obtained for

LandCorp, but often it is simply because they feel they have not been involved in the process. Wattleup community representative Garry Taylor, who has been a member of the government liaison group since its inception, I think, has done an amazing job representing the community on that committee. Essentially, he says that enough is enough and it is time for the government to resume and take control and ownership of the entire area once and for all and to finish the process started by the government more than 10 years ago. It is not the community's problem that LandCorp has decided that the demand for industrial land is not to its liking, and it is not the community's fault that LandCorp, because of one budget process or another, does not have the funds necessary to complete the resumption, but it is the community's problem that it is left sitting there in limbo land, unable to move forward.

I will now talk about the part of the Hope Valley–Wattleup Redevelopment Amendment Bill 2010 that will provide for tighter planning processes, controls and penalties for wrongful land use, because one of the issues that the community raised yesterday was that of the activities of the rock-crushing business run by Mr Brajkovich. This has been the source of ongoing problems between the community and Mr Brajkovich, and the issue is the basis upon which Mr Brajkovich is conducting his business in that area. This is a great example of the mind-numbing confusion that the community has to operate in at the moment as it tries to work out LandCorp's arrangements for managing the area. Yesterday, I came in on the end of a long discussion between LandCorp and the residents over the operation of this business, which they believe is creating huge dust problems around their homes. Although I am sure Mr Brajkovich would contest this particular assertion, it appears that Mr Brajkovich never actually received planning permission to undertake his business in that area. But LandCorp, as the owner of the land, the major proponent for the area and the lead government agency, is not putting up its hand and saying, "We'll help you out with this problem; we'll actually go in and try to resolve these issues", as members would expect any good corporate or government citizen would.

**Mr F.M. Logan:** And it is supposed to be the manager of the land under the act.

**Mr R.H. COOK:** As the member for Cockburn said, it is supposed to be the manager of the land under the Act.

LandCorp is simply saying, "It has nothing to do with us; it is a planning issue. You have to go off and see the Western Australian Planning Commission because we are sure he has planning permission." The WAPC is saying, "Under the act, LandCorp is actually the manager, so it's not our problem—go and see them." For the past five years this has been like a game of bureaucratic ping-pong with the residents as the ball as they have tried to get some clarity on why this particular business is impacting on their lives to such an extent, what permissions were given to undertake this rock-crushing business, which they believe is spreading dust through their properties, and what the manager of the land in the area is going to do to resolve the issue. But it appears that LandCorp is saying it will not do anything about it, and that the residents should go and talk to the WAPC, which is a particularly unhelpful approach.

That leads to a situation of people becoming even angrier, and they then start wanting to take it out on other people. From what I can gather, from putting two and two together, it would appear that one of the residents, out of frustration, made some particularly unwise remarks about some of the board members or senior management of LandCorp that were interpreted by LandCorp as a threat and were duly reported to the WA Police counterterrorism and dignitary protection service of Western Australia. So now we actually have the WA Police undertaking an investigation, but not actually undertaking an investigation of the threat made, instead taking it upon itself to undertake an investigation of every single resident in the area to ascertain the level of threat from these residents towards LandCorp or its board members. We have reached this point of absolute sheer lunacy, and the relationships seem to have broken down to a great extent.

**Mr J.H.D. Day:** That is the first I have heard of all that. The Department of Planning has been working very hard to try to get this issue resolved, with the advice of the State Solicitor's Office. I am not saying it has not happened, but I have not been aware of any role of LandCorp, or certainly any expectation that they have a responsibility to sort this out. I agree that it is not LandCorp's role.

**Mr R.H. COOK:** That is right; it is not LandCorp's role, but as the major proponent and the manager of the land in the area under the act, it is the key player in the middle. I believe that LandCorp, as the major proponent, has a responsibility to assist people to resolve these issues, as, indeed, has the City of Cockburn, and it is trying to resolve it, too, minister, and I am sure this is a headache for the WAPC as well—everyone is frustrated with the situation. But the fact remains that this is occurring around the residents who feel under siege and feel the brunt of the urban decay in which they feel they now live.

The residents raised the question of community safety. LandCorp engages a private security firm to undertake security arrangements for the area, but this is, essentially, the skeleton of an old community with straight roads and with no houses on each side, and this area is seen by some of the local hoons as an open race strip. So, in addition to the difficulties faced by residents through their day-to-day dealings with government, they also have

the problem of hoons in the area, cutting up the parks that are still there, and I understand that trail bikes, also, are a problem in the area. A great deal of frustration was expressed by residents because they felt that the police and the security firm have forgotten them and the impact that these things have on their community.

I have mentioned previously the role that the corporate community plays in land use. That does not impact directly on this bill, but it does provide an important overlay or context to the discussions that are taking place between LandCorp and the residents and businesses in this area. The Department of Planning is soon to come out with a recommendation about the overall air buffer zone in this area. It is widely anticipated that it will recommend that the buffer zone be increased. That will mean that further restrictions will be placed upon land use, particularly in the areas of Mandogalup and south Cockburn. That may also mean that LandCorp will have a further role to play in extending the area that will be considered under the Latitude 32 industry zone, because, as members would understand, if the buffer zone is increased, the areas that may be considered for urban development will be reduced. It is, therefore, important that LandCorp takes note of the impact of the buffer zone on the overall development of the area.

It is also important that this takes place in the context of corporate behaviour. The decisions about the buffer zone have been informed by the studies that have been undertaken by companies such as Alcoa, and others, into how they can ensure that the operations of their industry will not impact upon the health and lifestyle of the people in the area. I believe it is incumbent upon Alcoa to make that study publicly available and to be transparent about what it believes is the impact on the people in the area. It goes without saying that if the Alcoa study had shown that the air is clean and pure and there is no need to worry about the air quality, there would be no need to increase the buffer zone. The airshed committee working group clearly had cause for concern. The results of that study should therefore be made available for all to see.

Latitude 32 should be driving the vision and the momentum for the development of industry in this area, for the benefit of the Western Australian community. However, I believe that Latitude 32 has stalled and is continuing to languish. I believe that this government has lost its initial enthusiasm and zeal for this development. As the government has pulled back from its initial undertaking to develop Latitude 32, it has left in its wake the people of Wattleup and Hope Valley. The people of Wattleup and Hope Valley have been left confused and disillusioned about the resumption process. They have been left wondering what is going to happen to them. Many of these people are in their senior years, and they have been left wondering how they are going to provide for their retirement.

The government has an obligation to pick up the momentum and move forward in a deliberate manner. It is not a particularly happy process to transition communities from residential to industrial, but it is a process that must be done deliberately and with purpose, and in a transparent and accountable manner. Even though people may have misgivings about their community becoming an industrial area, that should be done in such a way that they are given just compensation for the purchase of their properties. LandCorp has an obligation to purchase the remaining properties in this area. As I have said, there is a great deal of concern about the fact that LandCorp is not only the managing agent of the industrial development but also the landowner, the developer and the proponent. Even though that may not compromise the role of LandCorp as a good corporate citizen, it is certainly causing confusion in the community and is perhaps the breeding ground of the distrust and cynicism that I saw at yesterday's community meeting.

The Minister for Planning has an important role to play here. Although this bill is small in nature, I hope that it will provide the government with extra legal clout, extra determination and extra appreciation of the need to act and deliver a just outcome for the people of Hope Valley and Wattleup. We need to ensure that we can move forward and transition this community into a future industry zone. We need to ensure that the people in this area do not see out the remainder of their lives feeling angry and bitter that the government has forgotten about them and has not delivered them a just outcome for the future.

The Labor Opposition is happy to support this bill. We hope that it will go some way towards clarifying the roles of LandCorp and the Department of Planning in this area, and that it will renew the government's enthusiasm for Latitude 32 and enable further development and progress in this area for the future.

**MR F.M. LOGAN (Cockburn)** [5.27 pm]: I also rise to talk about the Hope Valley–Wattleup Redevelopment Amendment Bill 2010. I indicate to the Minister for Planning that Labor will be supporting the bill. I am very pleased that this bill will provide, as the member for Kwinana has said, some certainty, not only for the Western Australian Planning Commission and the government in dealing with the land in the Hope Valley–Wattleup redevelopment area, but also, most importantly, for the residents of this area. Just to give the house an idea of how many residents we are talking about, in the township of Hope Valley, there are no residents. In the township of Wattleup, my understanding is that the last resident, Mr Garry Taylor, is now in the process of having his house compulsorily purchased. Mr Taylor has always assured me that he would be the last person to leave that

town. I hope Mr Taylor does get the amount of money and compensation that he deserves so that he can continue with his life in a better way than he has had to endure for the last 10 years.

This is an opportunity to say that the Hope Valley–Wattleup area provides a salutary lesson on how governments can get it wrong. The Hope Valley–Wattleup redevelopment area is an example of how governments can mismanage major projects. When I say “governments”, I am talking about both Labor and Liberal governments. The member for Kwinana and I share the area designated under the Hope Valley–Wattleup redevelopment management area. As I have experienced it far longer than the member for Kwinana has, I have full experience as to how governments can completely mismanage major projects such as this. It has been mismanaged, minister, simply because there has been no clear vision for what this area should be. When FRIARS—the Fremantle–Rockingham Industrial Area Regional Strategy—was undertaken under Richard Court’s Liberal–National government, the current minister was also a member of that government. FRIARS envisaged a larger industrial area than the current one under the Kwinana industrial strip. It envisaged that heavy industry would come across the road into the old Alcoa mud-lake site and into the Hope Valley–Wattleup area. The Kwinana heavy industrial area would be much larger, probably double its current size. The government of the day put FRIARS forward because the new national environment protection measures that were being drafted and out for discussion at the time—the NEPM guidelines—indicated that people should not be living within a certain distance of heavy industrial areas that have pollution such as very high levels of SO<sub>2</sub> and nitrous oxide. On that basis the Kwinana air buffer zone, which was then in its infancy, was to determine the area where people should not live. The government of the day said, “What are we going to do with this land? We can turn that land over to heavy industry.” The reality was that if heavy industry went across Rockingham Road into the new area, a new buffer zone would have to be created and the land sterilised between what is now the Hope Valley–Wattleup redevelopment area and the freeway. All that development down the freeway would not have taken place because the government of the day would have extended the industrial area closer to it. A much larger area of the southern suburbs than what is there now would have been sterilised. That was the view of the FRIARS report. That was the view of Hon Graham Kierath, who was the minister of the day, about heavy industry.

All the studies clearly indicated that taking heavy industry across the road into the Hope Valley–Wattleup area was not a good model because it would sterilise more land. The current minister, having been in government and in the ministry at that time, might be able to tell us more about it than I clearly knew. For reasons only known to Hon Graham Kierath, he decided to move the speedway from Claremont to the Hope Valley–Wattleup redevelopment area. The object was to take people out of the area because they were getting too close to pollution, under the national environmental guidelines, created by heavy industry. Then he decides to put a speedway facility and drag strip facility, with the capability to hold 10 000 people, right in the middle of the industrial area. Quite rightly, heavy industry, particularly companies such as Tiwest and Wesfarmers—chemical works, obviously—were very, very angry about that. Their view of the world was, “This is the reason we are calling for an air buffer zone, to ensure we do not kill people who may be living within the buffer zone, and now you’re going to put 10 000 people watching dragsters race down the strip right in the middle of this industrial area.”

**Mr R.H. Cook:** I wonder if there was ever a risk analysis done in terms of if there was a major incident on the strip and between 10 000 and 30 000 people were sitting there watching right next to it.

**Mr F.M. LOGAN:** And Tiwest had a spill?

**Mr R.H. Cook:** Yes.

**Mr F.M. LOGAN:** There was a risk analysis done by the companies down the strip, and I think the Kwinana Industries Council did a risk analysis of what the likely outcome was if there should be a pollution leak from one of the companies down there while the drag racing was on. It would have been a disaster. But nevertheless it was put into place.

The objective in the first instance was confused—that is, do we expand heavy industry by doubling its current capacity and then undermine that by putting a drag strip in the middle of the whole thing —

**Mr J.H.D. Day:** Although it is a different issue for people who live in the area; they are there on a long-term basis compared with visitors for a sporting event. I remember discussion about where the speedway would be located. There was one suggestion for it to go out Forrestfield way, which was then either in, or certainly close to, my electorate—not that it was an issue only for me, I can assure the member—but it certainly was not very well received in that part of the metropolitan area. It was a case of trying to find a site where the speedway could conceivably go. It is very difficult to find the perfect solution.

**Mr F.M. LOGAN:** The minister understands the point I am making. It was not only industry’s point of view; it was also the local residents’ point of view: what type of message is the government sending? It wants people out

and it wants people to watch sporting activities right in the middle of it. Industry was pretty much up in arms about it.

**Mr R.H. Cook:** It is an odd place for a sporting venue.

**Mr F.M. LOGAN:** That is right. That is a reflection of the lack of vision in dealing with the Hope Valley–Wattleup redevelopment area. I must admit that it did not improve under Labor. The act was passed, as the minister knows, in December 2000. There was an examination by Labor as to whether to go ahead with it or stop it in its tracks. The argument put forward by the department to the former Minister for Planning and Infrastructure, Hon Alannah MacTiernan, was that, because of the NEPM guidelines, there is no choice but to continue with the program. She did. I opposed it, by the way, as the local member. I believe it should have stopped. But nevertheless it continued. The minister encouraged LandCorp, as it then was, to play its role as manager for the area and begin the process of purchasing the local residents' houses and managing the consultation phase, and the master plan and development phases, for the Hope Valley–Wattleup redevelopment area.

There was a lot of anger at Labor's decision to do that. People felt let down. That should have been stopped in its tracks. I have argued from day one that 1 400 hectares is far too big. If there was a vision in Minister Kierath's mind about heavy industry and light industry, that may well have been achievable if a lot of money was thrown at it, but 1 400 hectares of light industrial area and mixed area is the biggest industrial development in Australia. It is a massive industrial proposal. It is too big, and has always been too big. It should never have been designed in such a way. It should have been reduced at least by half so there would be certainty. Even if the rest of the area was left as rural or rural residential, at least people had certainty of their planning guidelines even if urban subdivision was not approved in those areas. The whole area should have been reduced in size. I think that is one of the fundamental problems as to why it is still not developed and it probably will not be developed for many years to come.

Under the former Labor government and the then Minister for Planning and Infrastructure, Alannah MacTiernan, the vision the residents were given—it is there in black and white for people to see—was that the final development of the Hope Valley–Wattleup redevelopment area would be not as good as but better than what can be seen in Canning Vale, particularly the more salubrious areas of the Canning Vale industrial estate, which has an entrance way and gardens on either side of Canning Vale drive—or whatever road goes around Canning Vale. The Hope Valley–Wattleup redevelopment area was to be far better than the Canning Vale proposal. That is what residents believed would happen and that is what the former Labor Minister for Planning and Infrastructure and the public service were telling the residents would happen. As the current Minister for Planning knows, two and a half years ago—out of the blue, as far as I am concerned as the local member—the concept of an intermodal model popped up in the middle of this development, which was to be far better than the Canning Vale development. The industrial area is to become a hi-tech area with a light and also a slightly heavy industrial area and a transportation area, but, in the middle of it is to be a railway shunting yard with container parks on either side that will basically dominate the landscape. We have gone from a vision that included heavy industry, which ended up with a speedway in it, to a vision of an industrial area that would be much better than Canning Vale, to an intermodal train shunting yard with container parks in it. That is what has happened with the Hope Valley–Wattleup redevelopment area.

**Mr J.H.D. Day:** That is only a part of the area.

**Mr F.M. LOGAN:** The minister is right, but it is a very large proportion of the area; it goes right through the centre of the park. The intermodal area will sterilise the areas on both sides of it. We can have transportation-related industries on either side because an intermodal goes smack up the middle of it. The minister can understand why the residents and I, as the local member, have asked where the vision for this is. There has been a changing view of what the land will be from day one, when the Fremantle–Rockingham Industrial Area Regional Strategy came out, to where we are now. There has been a transformation in people's minds about what it will be. If members go down there now, they will see that Hope Valley has disappeared completely. It is just empty paddocks, with a few industrial blocks being finalised under stage 1 of the Latitude 32 industry zone. Members can see in Wattleup what was left of a small town of just 2 500 people, which is nothing really. There are overgrown gardens and the odd house. That is what is left of the vision of this fantastic industrial area that is the powerhouse of Western Australia. So far, the government has spent close to \$90 million, if not more, purchasing those properties. As far as I am concerned, as a government project it has turned into a disaster and is an example of how governments of all colours that lack vision and a clear direction about what they want out of a project can get it very badly wrong. The member for Kwinana asked what the end result is for the people who live in the area. All the residents of the towns have gone. The process was very bitter and angry. I eventually resolved it by negotiating with LandCorp about how people's properties were to be purchased and properly valued and how people were to be restituted, without compulsory purchasing, for the purchase of their homes.

That was not done without, literally, a lot of sweat and tears. Many people became very sick as a result of the stress and the concern about the loss of their home and their way of life. There are examples of people who committed suicide or who died early from a heart attack. Many people, including my own electorate officer, felt completely ripped off by the government about the purchase of their property.

[Member's time extended.]

**Mr F.M. LOGAN:** They felt completely ripped off about the way LandCorp purchased those properties. The purchase of the houses in Hope Valley–Wattleup was a very bitter and drawn-out process that has only just been concluded. The process started prior to December 2000 and the last resident is now going through the purchase of his house in March 2011. It has been a long, drawn-out process. Many people who live in the rural sector of Hope Valley–Wattleup have been left in limbo and are finding it difficult to sell their properties. The property might be five acres, for example, and a potential purchaser will ask the owner what can be done with it. It is now zoned as industrial, so there are certain things that can be done with it. However, the Western Australian Planning Commission has not provided clarity about what a new purchaser can and cannot do with it. People can continue to live there as rural residents, but there is no clarity about what will happen to the area and when it will happen. Potential buyers are very reluctant to put in an offer to purchase a property unless they have an industrial vision of what they want to do with the land. The residents who are living there have found it very difficult to sell their properties. When they approached LandCorp, it said that it did not have any money to buy them out. LandCorp had money to buy out the town sites but it certainly does not have the money to buy out the rural residents. That is not to say that an individual cannot put in an application to do his own development, but it is very difficult for an individual to do his own development. Even if he got together with his neighbours to do a joint development over a large area, it requires services such as water, electricity, sewerage and gas, none of which are available, apart from the overhead electricity, as opposed to underground electricity. There is no scheme water, gas or sewerage in the area. All the properties use septic tanks. The cost of putting those types of services onto those blocks, which primarily are in the middle of the Hope Valley–Wattleup industrial area, is way beyond their capacity. No bank would lend them the money to do that; it is impossible for them to get those services. Therefore, the residents cannot industrially develop their land because they cannot get the services that would allow them to get approval for subdivision. The residents are finding it difficult to either sell or develop their land, and the government has no money to purchase the land. The residents quite rightly say that they have been left in limbo. What will happen to them? When they go to LandCorp or WAPC, they are told that in 30 years it will be a thriving industrial area and that over time they will probably get an offer from a developer to purchase the land. Some of the residents are 80 years old! There are a lot of elderly residents there. A lot of them say that they will not live for another 10 years, let alone 30.

**Mr J.H.D. Day:** I understand that they can approach LandCorp and that in some circumstances LandCorp is willing to buy their properties but, of course, it needs to be at a mutually agreed value. Maybe that is the sticking point.

**Mr F.M. LOGAN:** It is not just that, minister; it is the fact that the money LandCorp has to purchase rural properties is provided only on the basis of compassionate grounds. There has to be a sickness or death in the family, for example. There must be a very compelling reason to allow LandCorp to purchase the land. LandCorp has done that when it has had a compelling reason to purchase a person's property, such as when the owner has either been very sick or was very old and needed to move on. In most cases, LandCorp cannot purchase that type of property because the rules that allow LandCorp to expend the money do not allow it to do that, which is a major problem. That is why the businesses and residents feel that they are in limbo. The ability for their properties to increase in value with the rise and fall of the real estate market is non-existent because the area is effectively sterilised by the Hope Valley–Wattleup Redevelopment Act. An act of Parliament covers this whole area. They say that there is no way that they will have a real market price for their land because it is covered by that act of Parliament; hence the reason that they feel stuck in limbo.

The person I wish to mention in this instance is Brian Vidovich, who owns Betta Turf and who has been the real voice of the rural residential community down there since 1999. Brian, who was at the meeting that the member for Kwinana attended the other day, has been an absolute stalwart in pushing for a sense of justice and fairness from the government for not just rural residents, but also town residents in purchasing property, and also in the way in which the government deals with residents down there. If the minister spoke to him, he would be the first to say, "I'm not getting any younger and I'll be facing retirement in some years to come, and I'm stuck in limbo. I can't develop my properties." He has a number of properties down there—turf farms. He cannot develop his properties. It is far too expensive for him to be able to put the services in, and nobody would be willing to purchase the properties anyway, because at this stage even the developers are not interested because no services have been put in.

Flinders, which is stage 1 of the project, is underway. There is some interest in some of the blocks down there, but the project is not as successful as even LandCorp had hoped it might be. I think that is a reflection of the

Mr Roger Cook; Mr Fran Logan; Mr David Templeman; Mr Mark McGowan; Mr John Day

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two-speed economy more than anything else and what is happening on the Kwinana strip, as we discussed here today. If things are flat in the other areas of the Kwinana strip, we cannot expect people to be rushing to buy land in Flinders, and I believe it will remain that way for some time. Therefore, the possibility of stage 2 going ahead, which is supposed to be in Wattleup, will probably be put back by LandCorp, because it would not be able to justify the expenditure. Therefore, I think that the 30 years that people have been told will be the length of time for development could be a lot longer simply because of the economic circumstances we find ourselves in at the moment and the inability of LandCorp to spend money on services that it does not think it will be able to recoup. It is a real difficulty, and I put it to the minister that the core of this difficulty which this government and future governments will face, and which a Liberal government has faced in the past, is the size and scale of the project. It is too big. It should have been done in much, much smaller chunks and smaller bites.

One of the things that I put to the minister is that there could possibly be a review not of the act itself, but basically of the objectives of the Hope Valley–Wattleup project and whether there are ways, which I put to the previous planning minister, of basically taking out whole sections and handing them over to the private sector. In all honesty, minister, I believe that if whole sections of this land were taken out and sold holus-bolus to the private sector, there would be greater initiative to develop the area and bring in other types of industries to get sections of it going a lot faster than would be the case if it were left in the hands of LandCorp.

**Mr J.H.D. Day:** But if the demand is not there as you're suggesting, then it's not there.

**Mr F.M. LOGAN:** No; I understand that, but I think it would be worth testing the market to see whether there are other more inventive and dynamic players than the current developer, LandCorp, out there that could do something with sections of that land, because all LandCorp is doing is sitting back and banking that land until such time as someone comes knocking on the door looking for some industrial land. That is not good for government, because it is sitting on a \$90 million debt, and it is not good for industrial development in Western Australia overall.

I will deal with some of the matters that the member for Kwinana raised about the planning issues down there. I think the Brankovic example is a classic example of agencies such as WAPC, the City of Cockburn and LandCorp, all of which have a role to play in the approval process, blaming each other when something goes wrong. That is exactly the experience that I have had and that my office and residents have had in trying to resolve issues down there. When an issue is raised with LandCorp, it says, "Well, it's not us; it's the City of Cockburn." When a person goes to the City of Cockburn, it says, "Well, it's not us; it's the Western Australian Planning Commission." When a person goes to the Western Australian Planning Commission, it says, "It's not us; it's LandCorp." So people get stuck in this never-ending blame game. It was not just the Brankovics; there have also been other developments down there in which companies have gone in and removed limestone inappropriately without environmental approval and sometimes without planning approval. They have put up trucking sheds and they have put down hard stands—these are all different examples—all, again, without planning approval and without environmental approval. People who have moved into that area think that, because it is an industrial area, they can do whatever they like; it is under a management act, so they do not really need any planning approval or any environmental approval. They think it is the wild west down there. The manager, LandCorp, has not stepped in and said that they cannot do this; they must go through the normal environmental approval processes and they must go through the Western Australian Planning Commission approval processes. LandCorp has never managed the land as it should do. Why, I do not know.

There are still some outstanding planning issues which are causing problems for the development in that area and which need to be resolved. One is the Kwinana air buffer zone itself. A review of this was started in 2005 and it still has not been resolved. It should have been resolved within a couple of years. That is why I say that the former Labor government is as much to blame for this as the current government is now. The overall review of that buffer zone should have been completed after two years—the former environment minister will remember this—and it still has not been completed. At the moment there are two outstanding areas. One is the mud lakes at Alcoa. The situation now is that Alcoa wants to increase the buffer zone by another 250 metres, and people who are seeking planning approval outside even the proposed buffer zone are being told by the WAPC that they cannot apply for subdivision. This is outside even the proposed future buffer zone. There are no planning restrictions over these areas, and these people are being told by the WAPC that they cannot even put in applications for subdivision, which is illegal; that is not true. They are allowed to do that. This is caused by the confusion over the Kwinana air buffer zone and the fact that the issue has not been resolved. This is an issue that needs to be taken into consideration, given the changes in this bill.

**MR D.A. TEMPLEMAN (Mandurah)** [5.57 pm]: I will be brief, and I will take us through to 6.00 pm, as I know the member for Rockingham intends to make some comments on the Hope Valley–Wattleup Redevelopment Amendment Bill 2010 before the minister has an opportunity to respond to close the second reading debate on the bill. The member for Cockburn and the member for Kwinana have both given some

background to a number of the issues that impact on this significant area of land, which is, of course, pertinent to the bill that is before the house.

I think it is important to reiterate the closing comments of the member for Cockburn about some of the outstanding issues that certainly need to be addressed, given that this bill effectively sets out a master plan for that area. We recognise in the bill that the master plan effectively brings in a range of other plans and/or strategic approaches that have a history. This bill, through the master planning process, will hopefully assist in the clarification of some of the outstanding issues that were mentioned by both the member for Kwinana and the member for Cockburn. When I listened to both those speakers, I found it interesting that there are a number of historic issues in this. Before I was a member of this place, I can remember when the previous Court government announced changes to this particular area, which of course affected many of the landowners, but in particular the people who had chosen to live in the Hope Valley and Wattleup areas. In fact, a couple of people I know very well lived in Wattleup.

*Sitting suspended from 6.00 to 7.00 pm*

**MR M. McGOWAN (Rockingham)** [7.02 pm]: I will make some contributions to the debate on the Hope Valley–Wattleup Redevelopment Amendment Bill 2010 and I follow the members for Cockburn and Kwinana who have had a lot of involvement in the issue, perhaps even closer involvement than I have had in my electorate, because of the locations of their electorates. The Hope Valley–Wattleup region is split fairly evenly between the electorates of Kwinana and Cockburn, so the people who lived in the area or still occupy some of the remaining properties in the area were or are split between the two members. They put the case quite forcefully that some of the issues about the resumption of properties in the area were not well handled. From the perspective of someone who was around when the process first commenced, which was back in the late 1990s, it was always going to be thus. I remember the former member for Cockburn, Bill Thomas, talking at length in this house about the resumption process in that area, as well as the former Minister for Planning and for Heritage, the member for Riverton, Hon Graham Kierath. Both are gone, departed from this place, although I note that the current Minister for Planning is a relic of that era and is still here.

**Mr J.H.D. Day:** You weren't elected that much longer after me. Perhaps the use of the word "relic" is a bit challenging!

**Mr M. McGOWAN:** Accurate though!

**Mr J.H.D. Day:** I disagree!

**Mr M. McGOWAN:** I do not think people would say that I am a relic. But the minister is right, I was only elected a term after him. It feels like he has been here a lot longer than that.

I remember former member for Cockburn Bill Thomas taking on the issues surrounding the residents there and suggesting that the amounts of money they were going to be paid for their properties was too low. And it was; it was ridiculously low. They were being offered in those terms \$60 000 or \$70 000 for their houses, and a corresponding house in an even remotely similar suburb was one and a half to two times the value of what they were being offered for the houses that they lived in. Although that might have been the market value for the houses that they lived in, for these people to live somewhere else, they had to be given some capacity to be able to move out. A lot of those issues were always going to be difficult to resolve and governments have worked on resolving them over time. Of course, once people started to move out, the suburb started to decay. Other people wanted to get out because the suburb was in significant decay and the whole issue became a self-fulfilling prophecy, with people being unhappy with their circumstances—the more other people left, the more circumstances deteriorated.

It always struck me as unusual that those suburbs were ever constructed right in the middle of an industrial area. I always thought that whoever did the planning on those suburbs, going back some decades, made a big mistake by placing that number of residents in such close proximity to what was always going to be a major industrial area. The Kwinana industrial area was originally proposed around the late 1940s. The first sod on the BP refinery was turned in the early 1950s by then Premier Sir Ross McLarty and the development surrounding the refinery went on from there. The refinery has been a mainstay of the Kwinana industrial strip, and a lot of other businesses created themselves around that area in the intervening years. The aim behind building those suburbs was probably to have part of the workforce living in proximity to the refinery, considering roads and transport were not as good and people did not own cars as they do today. I think it was a mistake—very little foresight was shown in placing people in that area. The resolution has taken place over the last 10 or so years and, as far as I can tell, this bill is a minor tightening up of, and makes probably unimportant technical changes to, the legislation governing the Hope Valley–Wattleup redevelopment area. Therefore, I do not think what we are debating is of particular significance, but there are some issues in the area and the broader Kwinana industrial strip that need some examination as part of this process.

The first issue concerns the area just to the south of the Hope Valley–Wattleup industrial area—what is called the IP14 land—which has been the subject of some discussion and ideas about its future over a long time. When I was first in opposition, back in the late 1990s, the then government, with Hendy Cowan as Minister for Commerce and Trade, provided some assistance to the wool scourers to move into the area. The government amalgamated all the wool scourers who had formerly been in Jandakot and built a single facility on the IP14 land. The problem was that a lot of assurances were given about the odour—considering it was an internalised plant—that, in my view, were not fulfilled. People living in Hillman and the Rockingham Holiday Village suffered from the odour over a long time, and that was contrary to the assurances that were given prior to the construction of the plant. That plant has now gone; the cost of scouring the wool was not economical and the plant closed. It was a significant waste of money on the part of the state that has never been fully examined or investigated. Today, there is a huge facility sitting there unoccupied and unused, which was put in place with a significant government subsidy. There is now a plan to place a sewage treatment plant on that IP14 land, just south of Hope Valley–Wattleup. It might have an impact on Hope Valley–Wattleup, so it is relevant to this legislation. I put in an objection to the Western Australian Planning Commission about the proximity to Hope Valley–Wattleup. We all know that we need sewage plants, that it is a requirement for a growing population and that they have to go somewhere; that is not in dispute. But there are nimby arguments and there are real arguments. Some nimby arguments about people not wanting a childcare centre or a school near them because they do not like the sound of children playing and so forth are exactly that, nimby arguments, but a sewage treatment plant placed near where you live is another issue. I put in a submission to the WAPC suggesting that the location could be moved further away from residences on this land, which was rejected by the WAPC, and I would like the government to look at that again. There needs to be some consideration of the residents of the Rockingham Holiday Village and the suburb of Hillman, who live either in or in close proximity to my electorate of Rockingham. Given the experience with the wool scouring plant, a sewage plant in that location would be too close to residents.

**Mr J.H.D. Day:** Are you talking about the proposed east Rockingham sewage treatment plant?

**Mr M. McGOWAN:** That is what it is called. It is in the middle of the IP14 land. The Western Australian Planning Commission handed down its report the other day. It had rejected my objection; it said that this is where the sewage treatment plant is going to go. My experience of the planning commission is that it just rejects objections. I put in an objection about a major electricity substation that was to be built in my electorate and I suggested another location on the same block, but the planning commission rejected my objection and suggestion; the substation was built in an entirely inappropriate spot.

**Mr J.H.D. Day:** Where else could the sewage treatment plant go?

**Mr M. McGOWAN:** The IP14 land is very large. It could be put at the other end of the IP14 land, or it could be sited further out in bushland in Baldivis. There is the capacity to have a closer look at this proposal. I do not think it is a nimby argument; I do not think that people are raising issues for no purpose. People accept that we need additional housing, particularly in that growing part of the world, but I would hate to think that the experience of the wool scouring plant would be repeated with the sewage treatment plant. Hillman is not an expensive suburb and the holiday village is certainly not an expensive place in which to live, but that is not to say that the people who live in those places should be treated as second-class residents because they do not live in the most expensive houses.

The other issue I wish to raise is that of the Australian Marine Complex. It is a wonderful piece of infrastructure that abuts the Hope Valley–Wattleup area. There was a lot of debate today, last week and during the last part of last year about local content. The Australian Marine Complex in Cockburn is the principal area providing capacity for major local fabrication and manufacturing, particularly for the offshore oil and gas industries. Some support industries would be in the Hope Valley–Wattleup area. Governments of both persuasions have put a lot of money into that facility, which took off about five or six years ago. It is now an amazing facility, into which the state of Western Australia has sunk huge infrastructure costs. It was not like that 10 years ago—it was just a couple of breakwaters then, with a few ship builders established there. Now it is a hell of a lot more than that. We put a major investment into it. As we discovered today, and as the Premier acknowledges, the amount of work going to that facility and to those local fabrication and engineering design industries is not sufficient. That facility seems to be underutilised. Whilst an economic rationalist would say that what I am about to suggest is not the way to go, and I would not ordinarily suggest it because it can create imperfections in the marketplace or advantages for some businesses over others, an analysis should be done of the tax status of the businesses operating in that area and that compete directly for projects with overseas fabricators and engineering firms. We cannot compete with businesses in Thailand and China on labour costs.

**Dr M.D. Nahan:** What taxes are you talking about?

**Mr M. McGOWAN:** I will come to that in a second. What we can compete on is quality, responsiveness, the capacity of our infrastructure, design capacity, training, and workforce and environmental standards. We can compete on all those things but we often cannot compete on labour costs. Our local fabricators and engineering firms do not get a fair go from some of the major oil, gas and mining companies. We need to make sure that those companies understand that they need to give our local businesses an opportunity to bid on projects that are within their capability, and not just by giving them a tour of the workshops. That is the first point. Secondly, we need to look at taxes such as payroll tax, which is a state tax. Payroll tax is an input cost for fabricators and engineering firms that meet the threshold of having at least 20 employees. Most of them would have that number of employees and would have a significant payroll tax bill. Western Australia is not receiving any benefit from those companies when they cannot compete with overseas fabricators or engineering firms for projects—it is not receiving any of the payroll tax that would be paid for the employees who would otherwise be engaged for those projects. What would it matter if those companies were to be exempted in some way from payroll tax for activities for which they compete with offshore businesses? There would be no loss to the state.

**Dr M.D. Nahan:** Just in the Henderson area? Are you suggesting that to get this proposed tax dispensation, you have to be located physically in the Henderson area?

**Mr M. McGOWAN:** That is where it would create imperfections in the marketplace, because a company inside the zone would get it but one outside the zone would not. However, I suggest that we examine the idea. As I said, Treasury boffins have heart attacks when one suggests such things, but the issue is now so big and so difficult for local fabricators and engineering design companies to overcome that we need to look at those sorts of options. We could create a zone around the AMC, because that is the area into which the state has sunk so much investment to try to compete on those sorts of projects. That is something the state could consider. There might be no direct loss of income to the state, because if we are not getting the projects now, what does it matter? Of course, a lot of the business those firms undertake will not involve contracts for which they compete with overseas fabricators; therefore, we would not want to give one party an advantage over another party that is also located in Western Australia but is not within such a zone. It is a complex issue. A far better solution would be to cut payroll tax for everyone, but, as we know, governments on all sides are not going to do that because it is such a significant part of the revenue stream of the state. I have always considered payroll tax to be a particularly ugly tax for business in Western Australia, but every state government relies upon it as one of the three pillars of their revenue base. We are no different. I cannot foresee any government giving up that revenue. It has been promised twice. John Howard promised it before the 1998 election. When the GST legislation was brought in, he compromised on its structure to get it through Parliament and he ditched payroll tax.

[Member's time extended.]

**Mr M. McGOWAN:** The abolition of payroll tax was one of the compromises John Howard made to get his GST legislation through post the 1998 election. I think the legislation was passed in 1999 and kicked in in 2000. The abolition of payroll tax was to be part of that. Funnily enough, one other opposition party promised it. In 1977, the then Whitlam-led opposition promised the abolition of payroll tax as its major tax —

**Dr M.D. Nahan:** Richard Court proposed it in 1992.

**Mr M. McGOWAN:** There we go—another broken promise. Did he actually promise it?

**Mr J.H.D. Day:** It was part of the Fightback package, if I recall correctly, of the then federal coalition opposition, but it did not get elected in 1993.

**Mr M. McGOWAN:** Okay, so it was a contingent promise.

**Mr J.H.D. Day:** In effect at least.

**Mr M. McGOWAN:** Of course Whitlam promised it in 1977 and he was gazumped by Malcolm Fraser's "fistful of dollars". As a relic, the member for Kalamunda would remember that better than I.

**Mr J.H.D. Day:** I was still at university.

**Mr M. McGOWAN:** The member was a young man then; he was still at university.

**Mr J.H.D. Day:** I was indeed.

**Mr M. McGOWAN:** The member was not wearing the boater at that point in time?

**Mr J.H.D. Day:** No, I'd graduated past that.

**Mr M. McGOWAN:** Has the member still got the boater?

**Mr J.H.D. Day:** I believe so, somewhere.

**Mr M. McGOWAN:** I thought the member said those nasty Aquinas boys jumped on it!

**Mr J.H.D. Day:** That version of it, but it was then replaced.

**Mr M. McGOWAN:** The member got another boater.

**Mr J.H.D. Day:** It's amazing how that boater seems to feature in planning debates in here.

**Mr M. McGOWAN:** I did not know about the boater before the member for Kalamunda mentioned it, so he can only blame himself for that one! Somehow I can just imagine the member wearing a boater.

In any event, the abolition of payroll tax has been promised on various occasions in the history of Australia and it has not happened. Perhaps we need to look at imaginative solutions to this problem. Payroll tax may well be the difference between some of our fabricators winning contracts and not. How we might put Western Australian fabricators on a competitive playing field with overseas fabricators for some of those projects in which we compete directly needs to be looked at with an imaginative eye. All I suggest to the government is that this issue be properly and fully examined. If there is no loss to the state because we were not going to receive the contracts anyway, what does it matter? It would not matter one iota if we provided such an exemption for those projects. As I said, there are technical difficulties because the government might have to put geographical boundaries around where it would apply, but I think that all those things need to be examined as part of this broader debate. There might be a way through in which we at least provide some sort of level playing field for our fabricators in this state, because I am very confident that the tax levels in countries such as Thailand and China would not be as significant as the tax levels in Australia. As I said, their labour costs are of course many multiples lower, but we can compete on other aspects of our manufacturing activity, and the idea I have suggested might allow us to be a bit more competitive.

The two issues that I wanted to mention as part of this debate were Hillman and the sewerage plant, and the Australian Marine Complex and how it might operate. Having said that, I think that the people of Hope Valley–Wattleup, those who remain, need to be treated fairly and with understanding by the government, and I hope that is what happens in the future.

**MR J.H.D. DAY (Kalamunda — Minister for Planning)** [7.23 pm] — in reply: I thank the members of the opposition who have spoken on the Hope Valley–Wattleup Redevelopment Amendment Bill 2010 for their support. The main purpose of the bill is to ensure, firstly, very clearly that the master plan for the Hope Valley–Wattleup redevelopment area, now known as Latitude 32, will have legal effect and, secondly, that there is an enforceable development contribution scheme in place. It is arguable that both those factors are in existence at the moment, but the purpose of this legislation is to make absolutely certain that those two points are dealt with. In their comments members opposite did not really dwell on those essential purposes of the bill to a great extent, but I appreciate the fact that they support them.

Members opposite raised a number of other issues that are not directly impacted on by this bill but were certainly valid issues for them to raise about the concerns of their constituents in particular. I understand that the history of the redevelopment of this area, which has been going on now for at least 12 years and no doubt somewhat longer from its original starting point, has been difficult for most of the residents who have been affected. It is not easy retrofitting a major industrial area, as this is proposed to be, to an area that has previously been used for residential development. It is obviously much easier to identify these areas in advance prior to any development occurring and therefore not have to put pressure on people to move out after they have been living there for some time. However, it was recognised, as I think one or two of the speakers opposite identified, that this area needed to be reserved, essentially for two purposes: firstly, to provide a wider emissions buffer area around the Kwinana industrial strip from the heavy industry that operates there and to ensure that there is adequate protection for residents to the east of the Kwinana industrial area. The second purpose of this redevelopment is to ensure adequate industrial land is available for development and for further economic growth and employment creation over quite a long period. This is essentially a 30-year or so project.

I am mindful of, I think, the member for Cockburn's comments that there had not been sufficient vision for what was going to happen in the area. The member also expressed concern that the amount of land being reserved for this purpose is really greater than necessary. However, as I said, it is important to bear in mind that this is very much a long-term project. Some development of land is occurring now in some lots in the southern part of the area, the Flinders area, which are available on the market, but it was never expected that the whole redevelopment would occur in a short space of time. I think anybody who is making any criticism of, as the member has to some extent, both governments that have been in office over the past decade or so needs to remember that this really is very much a long-term project, as many planning activities are, and we should not expect to see quick results. Certainty needs to be provided for residents and for other people who are involved in the area and that can really only occur over a long time.

The member for Kwinana expressed some concern about the fact that a briefing was made available only today, I think he was saying.

**Mr R.H. Cook:** It was more an observation about legislation. It is not unusual to have a briefing on the same day. It was a general observation about the democratic process.

**Mr J.H.D. DAY:** I should place on record that a briefing for the opposition was arranged for 17 February with the previous shadow Minister for Planning, Hon Sally Talbot, which needed to be changed and that there was not any finalisation of arrangements afterwards. However, it is always open to any member of Parliament, of course, to seek a briefing in advance for any legislation introduced into Parliament. I think I can speak for all members of the government—certainly it is my point of view—that we will facilitate briefings when members request them at any stage.

Some concern was expressed that LandCorp essentially had a conflict of interest in the development of the area. It needs to be understood that LandCorp is responsible for undertaking a lot of the development and for overseeing the project, but it certainly is not the regulatory or approval body. That is the responsibility of the Western Australian Planning Commission, and it certainly is exercising that role.

It is also worth noting that there has actually been quite an active effort by LandCorp and the Department of Planning to ensure that community consultation occurs. There was recent public consultation about a revision to the master plan. The public submissions process for that revision closed in August of last year—I think I am right in saying that—and the master plan is being finalised at the moment, after which we will go to the Planning Commission for approval, and then there will be a greater degree of certainty.

It is also important to realise that a master plan is in existence, and that it dates from 2004. The master plan needs to be reviewed, and that process is underway. Concern was also expressed about the loss of amenity in the area, and the fact that it is not a pleasant experience for those people who are still living there; I understand that. These processes are never easy, but there has been a strong effort, as I said, to ensure residents are consulted. When residents have a real demonstrated need, their properties can be acquired by LandCorp. It was also pointed out that some compulsory acquisition is underway in the central part of the area. At least people get compensated for their land and some additional compensation is built in when the compulsory acquisition process is undertaken. The loss of residential amenity is inevitable, unfortunately, given that the whole purpose of this project is to change the area from essentially residential and semi-rural purposes to one of Australia's largest industrial developments, ultimately, over 1 400 hectares of land.

**Mr R.H. Cook:** Does the minister agree that as this process is drawn out over a long time, that loss of amenity becomes more pertinent? I agree with the minister that if this process is being done quickly and deliberately and we are getting on with it, that loss of amenity is inevitable and almost part of the process. However, because it has dragged on and these people have been left in limbo, these issues have become quite pertinent.

**Mr J.H.D. DAY:** I understand the discomfort and the high level of inconvenience to people in the area. As I said, if people have a strong demonstrated case, LandCorp will purchase their property. Obviously, there needs to be an agreed price. If there is a high level of need for a property to be acquired, there is the compulsory acquisition process, which is pretty close to coming to an end. These issues are certainly not easy to deal with, and they have been contentious with residents in the area. Although I was not involved in any close way, I recall that when the coalition was in government previously, a lot of debate took place about what should happen in the area and whether the project should go ahead at all. When the Labor government came to office in 2001, it had to confront the same sort of issues. The essential decisions had probably been made, but the Labor government was in the position of having to follow through on those decisions. In the end, such a project really is necessary to not only provide greater environmental protection, but also make industrial land available for economic growth and for employment creation.

Some concern was also expressed, quite understandably, about the problem of dust emissions from the Brajkovich site in the western part of Wattleup. That issue has been very much drawn to my attention over the last six months or so. It has been a concern to me, to my office and to the Department of Planning. A strong effort has been made by the Department of Planning and the Planning Commission to ensure that activities—particularly the crushing of rubble and bricks, which we certainly do not accept has been given approval—are brought to an end. A cessation notice has been issued by the Planning Commission and, as I understand it, all the crushing activities have now stopped, albeit the owner of the business is appealing that decision in the State Administrative Tribunal. I am advised that there was to be a hearing in the tribunal today, but of course I do not know the outcome of that hearing. The owner of the land obviously has legal rights and processes available to him, and they need to be respected. However, from the points of view of the Planning Commission and the state government, we have been very concerned about the disruption and the inconvenience to local residents from dust emissions in the area. Strong action has been taken and legal advice has been sought on whether prosecution is likely to be successful. That issue is certainly not being ignored.

Mr Roger Cook; Mr Fran Logan; Mr David Templeman; Mr Mark McGowan; Mr John Day

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I think that covers most of the major issues raised by the opposition. Quite extensive information is available on the project at [www.latitude32planning.com.au](http://www.latitude32planning.com.au) for local residents or people with a greater interest. Information is quite comprehensively available and I know that LandCorp is willing to provide additional information. People can come to my office if they feel that they are not getting adequate consultation or information. Generally speaking, I think there has been a strong effort to ensure that people are engaged and consulted, albeit that they may not like the outcomes in all cases.

This bill will ensure greater certainty in relation to the legal effect of the master plan. It will also ensure that the development contribution plan that will need to be developed, as is the case with any major land development, will be enforceable and have full legal effect. Having these legislative arrangements in place will, therefore, provide greater certainty for the whole project and enable it to move forward in an appropriate way. I thank the opposition for its support of this bill.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

*Third Reading*

Bill read a third time, on motion by **Mr J.H.D. Day (Minister for Planning)**, and transmitted to the Council.