

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Inquiry into Ironbridge Holdings and Dalyellup Housing Estate — Motion

MR M.P. MURRAY (Collie–Preston) [4.01 pm]: I move —

That the house refers the Dalyellup housing estate undertaken by Ironbridge Holdings Pty Ltd and Mr Ian Wallace to the Economics and Industry Standing Committee for investigation into the following matters —

- (a) the lack of completion of purchasers' houses, fencing, landscaping and other matters;
- (b) the reasons why contractual obligations have not been complied with; and
- (c) what steps can now be taken to ensure that all contractual obligations are met.

I bring this motion before the house after many months of frustrating and hard work trying to get a resolution to this problem. The issue has been on the cards for quite some time. People have been promised the world, and not much has been delivered.

Tuart Estate is a development at Dalyellup. Ironbridge Holdings, of which one of the principals is Mr Ian Wallace, got halfway through a development and then onsold the blocks. People who bought them were given an undertaking in their contract that when their houses were built they would get landscaping and fencing at the completion of their houses. In many cases that has not happened. Or when somebody complains, they will get theirs done and no-one will else will follow through. There is this stop–start arrangement for people getting their fences done. Some people get their fences done without them being painted the right colour. In some ways they are reasonably happy, but they still have a fence that is not up to standard.

I was first alerted to this by Ms Carolynn Hill, a former employee of this place, who then asked me to look at legislation so that other people would not be affected along the way. I take my hat off to Carolynn, because it was not just a self-serving, “I want mine done”; it was about how we stop people from having the same problem. Buyers of blocks of land had a contractual agreement that said that on completion of their house they would have a fence and landscaping, and then it was not done. The company is still fluid and still has money to go around, although I believe it is tight, like any other business that has been through the global financial issues.

The people I am concerned about are the first home owners. They are people who have put their heart and soul into getting a deposit and do not have a great deal of spare money to put further money into fencing and landscaping that they thought they had already paid for. It is absolutely disgraceful that the company has put them through this. Every time they complain, they get a phone call to say, “Okay, the fencing contractor will be there next week.” Of course they never turn up.

It was a series of events that happened. After hearing Carolynn Hill, I realised by looking at the houses that there were many in the same predicament. I then wrote to every person in that subdivision. I ran a meeting on a Saturday morning where between 50 and 70 young couples with kids and some older people turned up to express their concerns about what was happening. It also was surprising that the CEO of the Capel shire also turned up and told his side of the story about what was happening. The shire was very disappointed as it thought all of the reticulation into the parks had been completed. That was until summer came around and the grass went from green to brown. Shire members went down to see why the reticulation was not working—there were no pumps and no installation, although I understand it had been signed off on. Here we have a company that has been less than honest in its dealings with not only the people who bought blocks but also the shire.

We started to delve a bit deeper. After the publicity surrounding this, I sent letters out. Around 70 people replied to my letters saying that they were in the same predicament. It is something that has great implications for other people in other subdivisions. We have seen the same issues to a lesser degree in Eaton. In the area around Recreation Drive in Eaton a different company is doing the same thing. Things have got tight, so the company is not able to fulfil its contract. It is my strong belief that, if a company takes people's money, it should be bonded. Money for the fences and the landscaping should be put away in a bond so that it can then be utilised for other things.

Mr T.R. Buswell: I am not trying to interrupt unnecessarily, but who would hold the bond?

Mr M.P. MURRAY: I suggest it would be through the consumer department or somewhere like that. It certainly would not be given to the developers because it would be like some of the superannuation schemes that we have seen previously where it disappears. That is a concern. I understand there are logistics about where it goes, how it is done, but those first home buyers actually put it into their loan. They have not got the results of their landscaping or their fencing and other issues, but they are still paying interest on it.

Recreation Drive is another area that has the same problem, although to a lesser degree. I organised a meeting with the proponents of Recreation Drive. I turned up and received messages that they would be half an hour late, an hour late. By that time I could not accede to the meeting, but I have not heard from them again. It is very similar to Mr Wallace and Ironbridge Holdings. Mr Wallace, on hearing that I had written to the people in the Tuart Estate, rang me. He was very surprised to get straight through. My staff are very good; they put him straight through, and he was stuttering on the end of the phone. But the stuttering phone call was a veiled threat, in which he spoke about his lawyers contacting me about the nature of the letter. I was very quick to respond. I was very careful; the thing I did not want to see was pressure on that company to be wound up, because I know what would happen then. If that company did not have funds and was wound up, the people down the bottom would be the last to get the money. The banks will have their hands out first as secure creditors, and down the line it would go so that the people would not get their fences and they would not get their landscaping. Even at the public meeting people would say, "How do we wind the company up?" I was cautioning them not to go down that line. I do not think that is the way to go. If there is some liquidity there, maybe some blocks could be onsold.

To rub salt into the wound, the people who bought the first couple of blocks—this is a sign of the times—paid approximately \$30 000 more than the other purchasers. Because the blocks were not selling and the developers needed the finance, they dropped the prices so that the people who bought them earlier were \$30 000 worse off than the people who bought them later.

Mr T.R. Buswell: That is not uncommon in land developments.

Mr M.P. MURRAY: I understand that, and that is not really my point. I am making the case for why people are concerned. That occurred because of market fluctuations, which I understand. It would certainly hurt me if I had just lost a cool \$30 000 in a business deal when I could have bought in at the same price as the rest of the buyers if I had waited a little while. To rub salt into the wound, some of the people who paid top dollar still do not have fences. However, we cannot delve into the market price because it is an open market and people make their own decisions. Unfortunately, when the crash came, those people were caught out, but the last thing they thought they would be caught out on is their fencing and landscaping.

I have written many letters and telephoned and contacted many people about this matter. It is important to read this information into *Hansard* rather than just table it. This matter began on 11 June 2010 when I heard from Carolyn Hill. On 27 August I wrote and sent around 200 letters to all the residents of Dalyellup. On 6 September, I wrote to Ian Wallace asking him for an update on the issues that my constituents had raised, but got no response from him. He subsequently called me and said that my letter was misleading and wrong. I faxed him the letter to say that it was not wrong, and I never heard from him again. On 24 September I again wrote to Ian Wallace seeking a meeting but again got no response. On 29 October I sent a letter to the residents who had contacted my office and updated them about my actions. I also sent them a copy of my grievance to the then Minister for Commerce, Mr Marmion. The minister heard my grievance and, although there was some slight movement afterwards, it was disappointing that the minister took no action. He told me that he had driven through the estate and agreed with me that it was an appalling situation. However, he did not stop to talk to anyone; he just drove around the block and out again. No action was forthcoming from the minister. That again shows the lack of commitment from this government.

Times are tough and costs are going up on a daily basis. Due to the budget they will go up a lot more quickly. Many of the people involved are young families. Members can remember when they bought houses when they were just starting out. Maybe the Liberal Party members cannot remember it so clearly because they were born with silver spoons in their mouths. Members on this side certainly remember how difficult it was when first trying to establish a home and a family. These families do not have \$4 000 or \$6 000 to pay for fencing, landscaping or other works because it is just not there; they cannot find it. The husbands and wives work to pay for babysitters and child care, which costs money. It is very disappointing that Mr Marmion sat on his hands and did nothing. On 3 November 2010 I again wrote to Ian Wallace to say that I hoped to have a meeting with him to get a speedy resolution to the matter. On 20 November a public meeting was held, which I have already mentioned. On 23 November I wrote another letter to Ian Wallace advising him that I was invited to attend the residents' meeting on the following Saturday. I advised him that there was a strong move to form a residents' association to take legal action against his company in the form of a class action. That is when people started to get organised. While it was only talk at that time, the class action is now underway. A group of solicitors is working for these people pro bono. I again urge the residents to exercise caution when doing that because they are better off getting something rather than nothing.

The company has a very long history of similar issues. On 1 December 2010 I got a response from Ironbridge Holdings to say that it was fully committed to honouring its obligations to the residents of the Tuarts estate and that Ironbridge was eager to resolve the matter as soon as possible. On 13 December I got a response from the Minister for Commerce to say that the minister had been kept informed of the situation through regular briefings

by the Department of Commerce on the progress at the Tuarts estate. He said that his department would monitor Ironbridge's undertakings that work would recommence on 1 December. Work did recommence; I believe that the fences for two houses were done, but the fencing contractors were not paid and so they left the job. Mr Wallace said that the contractors had gone on leave and would not be back until after Christmas. When the fencing contractors were contacted, they said that that was not the case. They had heard about Ironbridge's financial situation and withdrew their services because they had not been paid.

On 21 January 2011, I wrote another letter to Mr Wallace asking for an update on the progress of the work. The response from Ironbridge was that 20 of the outstanding fences had been completed and another 43 were yet to be completed. Ironbridge said that no landscaping had been undertaken as the priority was to get the fences built. We are talking about young families who cannot afford to put up fences. Little children have to be locked inside the fence for their own safety. This is more than just a financial issue; it is a social issue. Some people had to euthanase the family dog because there was nowhere to keep it in the backyard and because it would be cruel to keep the dog attached to a chain all day. I understand that nothing else had been done. In a letter I wrote to Ironbridge on 27 January, I asked for a detailed schedule of when the fence for each house would be built. Ironbridge advised me that it did not have a detailed time and date for each fence to be installed because of unexpected delays on the part of the fencing contractor. I have just told members what happened to the fencing contractors; they would not work for nothing. Mr Wallace predicted that following the contractors' return from annual leave, all 43 fences would be installed before the end of March.

On 17 February I wrote a letter to Ian Wallace about an overdue reimbursement for Mr and Mrs D, who claim that Ironbridge promised to reimburse them if they built their fence. Mr Wallace claims that they were jumping the queue and he even deducted \$2.30 for the postage to send the letter to those people who had been waiting for the reimbursement of around \$7 000 for their fencing. After that, I started to pull out my hair.

I wrote to Hon Brendon Grylls, the Minister for Lands, regarding Mr Bradley Wilson. Mr Wilson had bought a block in the same estate but did not have the title for his property. He purchased the property in November 2009 and he still does not have the title. As I dug deeper, I found out that Ironbridge had not dealt with the drainage and other issues that it had given a commitment it would deal with. That will not be signed off on and the title to the property will not be issued until approval has been given to sign off on that subdivision. Mr Wilson is another person who is out of pocket and unable to build. We know that building costs have gone up over the years. A letter dated 18 February was sent to John Day, the Minister for Planning, regarding Mr Wilson not having the title to his property. Ian Wallace was also sent a letter on 18 February advising him that the residents had been contacted about continual delays and broken promises. At about that time I got a phone call from a lady in Dalyellup who was distraught. I asked her what was wrong and thought that maybe Ironbridge had hit the wall, but it was not that. She was distraught about the tone of Mr Wallace's voice during a telephone conversation she had with him. She described his tone as threatening and abusive. That is when I started to wonder what was going on. Previously it was about other issues, but when that man abused and threatened a woman over the phone, I believed he had gone well and truly too far and that it was time for this house to do something about it.

On 16 March a letter from Ian Wallace advised that Mr and Mrs Steele would receive their reimbursement by 30 April. Again, that is another story of broken promises. I will read the letter from Mr Grylls, the Minister for Regional Development, Minister for Lands and Minister Assisting the Minister for State Development. I think it is very important to read that letter in this place. It states —

Dear Mr Murray

...

Thank you for your letter dated 18 February 2011 on behalf of Mr Wilson regarding the issuing of the Certificate of Title for Lot 545 Wuraming Bend, Dalyellup, being Lot 545 on Deposited Plan 69269 (DP).

The process for Landgate to issue new freehold titles firstly involves a DP of the subdivision lodged with Landgate being audited and then "Certified Correct". When all the conditions and clearances that have been placed on the land for subdivision have been met, Landgate receives a release letter, and the plan is then forwarded to the Western Australian Planning Commission ... for final planning approval.

I am advised that for DP 69269, the surveyor lodged a release letter at Landgate on 4 March 2011 and the DP was forwarded to the WAPC on 8 March 2011, being the next business day.

When the WAPC provide advice of final planning approval to Landgate, the DP will be placed "In Order for Dealings". The registered proprietor can then apply for new titles.

I then asked who the registered proprietor was. That is another reason there should be an inquiry. Who owns the block? There was no title when it was sold. If this company goes to the wall, there will be a fight about who

owns the block. It has not been released from Ironbridge Holdings. It will still be part of the Ironbridge Holdings estate, which will be on sold or will go to the banks or the mortgagees. That means that this person could be totally out of pocket for the amount that he paid for this block in 2009. There is a loophole in this area that needs to be closed. I have another example. If a person buys off the plan for a multistorey building, but the building is not built and the company goes broke, does that person own the square up in the sky? I do not think so. That is another anomaly that needs to be addressed. When I asked who the registered proprietor was, I did not get an answer from the minister's office; they could not advise me who the registered proprietor was, so they handballed me to the Minister for Planning; Culture and the Arts; Science and Innovation, Mr John Day. Mr John Day's letter is also very interesting. It states —

Thank you for your letter dated 18 February 2011, regarding the issuance of a title for the above-mentioned property. I apologise for the delay in responding to you; however, it was necessary to obtain advice from the Department of Planning.

The Western Australian Planning Commission ... has not consented to the creation of the title as the relevant subdivision stage has not yet been fully serviced with sewerage infrastructure to the satisfaction of the Water Corporation.

Until such time as the Water Corporation and the WAPC can be sufficiently assured that the necessary infrastructure has been or will be put in place, consent is unlikely to be given.

I am sure you would agree that it would not be in the best interest of your constituent for the WAPC to create residential lots without the full suite of services being in place.

The final line states —

I regret that in this instance I am unable to assist your constituent, whose concerns would be best directed to the developer.

And around we go back to square one. What a beauty—absolutely creamy! Around we go again, only to be sent back to the people we are complaining about! These people have not honoured their obligations, have not given titles, and have not even looked at putting up fences in some areas, yet we are supposed to be a government of the people. I do not see that happening in this case.

Mr J.H.D. Day: What would you do if you were Minister for Planning?

Mr M.P. MURRAY: I would have an inquiry and shut the loopholes. It is time that was done. There are too many loopholes for unscrupulous developers who have ripped people off over the years, especially during the boom.

That brings me to the point that this company has taken on many other subdivisions and developments. There have been stories in the media. There was a story on GWN on 29 March 2011 about the David and Goliath battle for a fence. There was a story about Dongara Downs on 7.30 on the ABC on 15 April 2011. The same company sold blocks without access. Those people have been denied the right to build on their blocks because there is no access. The shire rightfully said that they must have access before they can build on those blocks. This company has real form. There was also a report on Dalyellup on 7.30 on 6 May. It provided no answers. When this company gets a bit of publicity, it does one or two fences. But people cannot keep the television stations interested enough in the issue to get one or two fences a week. This company is just playing a game with people's lives.

While I am talking about form, I am also concerned that the former directors of this company, including Mr Ian Wallace, a former Weld Club president and a former councillor at the Shire of Peppermint Grove, have a bit of form. Terry Magee was involved in the finance brokers royal commission; he was a target. Angela Olifent was a finance broker involved in the Smiths Beach inquiry. I am sure that the member for Vasse would remember that. Those people were formerly involved with this company. That gives me great concern about the integrity of this company and whether it really is about helping people and providing services. It has many subdivisions underway. Boldcity Investments Pty Ltd is associated with Austasian Finance Pty Ltd—they have the same Osborne Park address—whose accountant is Steven Olifent, who was involved in the finance brokers scandal. We need this inquiry. We need to get to the bottom of the issue, and not only with this company. It is my view that in a few more years there will be another boom. People will rush out and try to make a quick quid from developments and will short-change people who buy in those developments. We need rules in place so that the same thing does not happen again. We need to make sure that we provide security for those people who spend their hard-earned money so that they can have a decent standard of living. The member for Vasse has just left the chamber. We are trying to encourage people to move into the market and build, but why would they? Would members buy a block from these people? The age-old question is: "Would you buy a car from that man?" I would not buy a car from Ian Wallace; it probably would not get out of the caryard. These are the types of people

we must bring to account by having an inquiry by the Economics and Industry Standing Committee. It is very important that we do so.

I am sure that people have been in the political arena for some time. They think about the whys and wherefores and ask why pressure is not being applied. I looked at the donations to the Liberal Party. Sure enough, up came Ironbridge. It donated to the party not at the last election, but at the election prior to that one. A donation was made by Ironbridge to the Liberal Party. Does that mean that it is untouchable? Does that mean that, because it has donated some money to the party that is now in government, the government will not take it to task because the director is a good bloke and has put in a few bob and helped with its campaign? That is the way I am starting to see this. There are connections with the Weld Club and Peppermint Grove council and Liberal Party donations. Is that a conspiracy theory? Probably, and I hope so.

Mr J.H.D. Day: Absolutely.

Mr M.P. MURRAY: If we do not have the inquiry, we will not know. That is what I am asking for. That is why I am on my feet today. Let us get the people down there—who live in what should be one of the best estates in Western Australia—before the Economics and Industry Standing Committee. Members opposite can go down there and see the vast difference between a Satterley Property Group development and an Ironbridge Property development on the other side. One is decent and one, with all due respect to the people there, looks like a Third World country in some areas because the sand has blown into their backyards. What can be seen from the road is usually behind the fence. People's belongings are in the backyards. Residents have tried to put up fences using sheets of tin to keep dogs in. It is absolutely disgraceful. I call on all members on the other side to support this motion. I do not think it will take a long time to be investigated by the Economics and Industry Standing Committee. I give a small word of warning. Electoral boundaries will change on 10 June and just maybe some of those changes will affect other politicians in the South West who have been notified of this issue and have done nothing. They have been cc'd on correspondence and their response has been nil. That also is a major disappointment to me. The seat of Collie–Preston doughnuts around Bunbury. Those people shop in Bunbury; they go into Bunbury for their entertainment, yet nothing has been done; they have received no help whatsoever.

Bear with me for one second because all my papers have fallen on the floor. I have one here from the *Bunbury Mail* website, which contains a typical comment that I think should be read out. It reads —

I am not a resident of The Tuarts, but I am experiencing this same issue with a different developer.

Up goes the radar; there are more of them around. It continues —

Our dream home has turned into a nightmare with all the added stress and frustrations of dealing with this situation. Our two young children have been cooped up inside for 6 months, looking longingly through the windows at their play equipment that is sitting in a dirty, black sand pit. It's not safe to let them outside with a pond and the Perth–Bunbury Highway close by.

That is a very common theme among all the correspondence I have here. Young people are captive in their own homes with their children. As a father of four children who is getting quite thin on top, if I were cooped up in the house with them all day I am sure it would be considerably thinner! Within the Ironbridge Property profile are Dongara Downs; Hilton Ridge; River Hills Estate, Toodyay; Rowlands Country Estate; Shady Hill; Surf View, Torquay; The Tuarts; The Springs; The Willows; and Horrocks Beach. There are many listed and at the front is a very flash brochure. The company is not honouring its commitments. It is absolutely shameful that no pressure whatsoever has been placed on the company. I have raised this in Parliament on several occasions. On 7 April 2011 I asked question on notice 4750; on Thursday, 17 February 2011, I referred to the problems in a speech on the Premier's Statement; on Thursday, 21 October, I raised a grievance, which I have already mentioned; and on Thursday, 18 November 2010, I asked questions without notice 739 and 740. Still, I have heard nothing. I plead with members opposite, who have the numbers in this house, to give these people a hand. I will read a letter that came in at 11.02 am today from Victoria Myer, which reads.

... I just received a letter from Ironbridge today, dated 06th May stating that they plan to recommence with fencing the week of 27th June 2011. How many times have we been promised this??? I am seriously NOT interested in this and personally hope I am still able to continue with the next stage thru Slater & Gordon ...

That is the law firm. It continues —

much more chance of getting some action!! Funny how they print a letter shortly after a dose of bad publicity.

Then Darren Brindley wrote the following —

So, the baseline is that Ironbridge hasn't yet installed a sewerage pumping station. Therefore the water corp won't sign off on any more titles until it is done. That being the case, even the Government is powerless to get them to carry out their obligations.

That is the feeling out there. One note is about fencing and the other is about titles—something we need to work on. As the Minister for Planning is sitting in the chamber, I ask him to consider this with the greatest seriousness and do something, whether it be through an inquiry, which I believe would be the best way to get the company to front up and explain what its assets are, what other projects it has in train and how many residents' issues are outstanding and why. That will help us understand what we must do in the future to make sure it does not happen again. People statewide could be affected by not only Ironbridge, but also other short-term developers who are in for a quick quid, and gone.

I give the Toodyay Shire Council a pat on the back because it would not sign off before the houses were commenced. The council stood its ground and said the site works were not up to standard. Thank goodness for that, otherwise there would be a group of people in Toodyay with the same problems. It is a credit to the shire management crew that it made sure that things were done properly and completed before the council signed off on Ironbridge's subdivision. I could go on. This thick pile of paper represents the number of emails people in the paddock have sent seeking help. I will read one or two. We will move on shortly, but I am concerned and I really want this investigation to happen. Karen Booth sent an email that reads —

Dear Mr Murray

To further add to our claims and highlight the blatant misleading and false advertising by Ironbridge, have a look at the following you tube link—this ad was uploaded by Ironbridge themselves. Some of the claims they make in it have turned out to be completely false.

... thank you for your ongoing efforts ...

Another one was received on 9 February that reads —

Thank you for your interest in the problems the residents in the Tuarts are facing with the developer, Ironbridge.

By way of support of the residents claims, and in the interest in having our own contract with Ironbridge brought to completion, we forward to you an outline of our situation and contract details.

We bought our land through Nick Wallace at the Dalyellup Tuarts Estate Land Sales office on 22 April 2009 for \$149,000.

The land was settled around 12 July 2009.

Our Fencing and Landscaping application forms were submitted to a lady at the Tuarts Estate Land Sales office (Dalyellup). These were to be faxed to the office later that day by the staff on site there. Two months later, we had not heard back from Ironbridge regarding our application, so contacted them ourselves.

On ringing Tom O'Rourke —

I believe he has left the company. To continue —

on 14 October 2010, we were told that they have not received our application. We told Tom that we would fax it again and he assured us that our fencing would be done with the other applications received at the original application date (two months prior to this phone call). We faxed it again ourselves the following day, requesting confirmation that it had been received and that our application would be processed at the original date, as per his offer. We received confirmation that the application had been received, but no confirmation regarding the processing of our application.

We were also not told up front about additional costs for facilitating the reticulation (gate valve etc required to be installed during building process) and certain requirements for the Telstra Smart Community package, all of which was supposedly 'free' with the sale of the land. This cost us at least an additional \$1500 on our building contract.

Our land sale contract stated that we would be eligible for the fencing and landscaping package if we built our house within 20 months from the date of settlement. We have upheld our side of the contract and now demand that Ironbridge do the same.

We would also like to point out that due to lengthy delays by Ironbridge, our new lawn and gardens may now be being established during the hot summer months, requiring additional water. We would like to know if there would be any compensation for the extra water required to establish the lawn during the summer months, as these delays are purely on the developers side.

In addition to the landscaping and fencing packages promised, our land was sold to us with a view to a park area (similar to the one on Murtin Parade) being constructed opposite our lot. Nick Wallace informed us that this was to be completed by December 2009. This date was given to us on a number of occasions by various Ironbridge employees and never as an estimated date; it was always told to us with confidence. To date, no work has commenced on this area. This park is now more than one year beyond the promised completion date and we are asking that the park, together with the landscaping and fencing be delivered with expediency.

Recently we were advised by the fencing contractor and other residents that the James Hardie factory where the fencing materials are being made and supplied from was underwater due to the Queensland floods. We were then told that it was not underwater and has not been affected at all. In the meantime, there have been no fencing works being done in the area around our house. It seems as though Ironbridge and its contractors are taking advantage of the flood situation to gain a bit of extra time to complete works now already well overdue. Could you please clarify this for us.

Also, we are having ongoing issues with the Telstra Smart Community services. We have had to have a service technician out to our house twice in the 4–5 months that we have been here. On ringing the service number for the Telstra Smart Community as supplied to us by Nick Wallace and Telstra, we get little or no help and still a lot of problems with the service and reception. We have no other option but to use this service if we want to watch television.

At the end of the day, we want the following:

- All fences bounding our lot to be installed within the next 2 months without further delays
- Our landscaping and reticulation to be completed within the next 3 months without further delays
- The park across the road to be completed within the next 6 months without further delays.

Could you please confirm what action is being taken by your office to render Mr Wallace (Nick or Ian), Mr O'Rourke and any others operating from Ironbridge unable to undertake any further developments within this country. I would personally like to see that they are unable, both as a company and as individuals, to register a business anywhere in this country, particularly one that so badly affects others that have gone into a contract with them in good faith.

Again, we thank you for your ongoing support of our situation and we look forward to your response and any other information that would be helpful to us in bringing this contract to a timely close.

Yours sincerely

Paul and Karen Booth
60 Moorilup Turn, Dalyellup

I think that sums up where the problems are, and that is why I expect support for this motion from the government.

MR J.H.D. DAY (Kalamunda — Minister for Planning) [4.43 pm]: The government certainly shares the concerns that have been raised by the member for Collie–Preston on behalf of his constituents. When people enter into a contract to make a substantial investment in land and the construction of a house, they are entitled to expect that the conditions of the contract will be complied with. As the member has pointed out, there are a number of people in the Dalyellup area who have not had landscaping and fencing provided as expected and intended through the contracts they have signed. There is also an issue in respect of the clearance of titles for 22 other lots, some of which have been pre-sold. Titles have not been issued for those lots for the reason that the construction of a pumping station for wastewater disposal has not been completed, and the Water Corporation is understandably not prepared to give approval for the issuing of titles until that work is completed. I understand that there is some concern at the Water Corporation that the construction company may not be able to complete that \$1.5 million project, which would result in the Water Corporation having to complete the works. The Water Corporation is giving consideration to that issue at the moment, and I am advised that it holds a bank guarantee to secure the works, and that that can be accessed if necessary. This appears to be primarily a contractual issue between the buyers of land in the Dalyellup area and the developer, Ironbridge Holdings Pty Ltd. It is at best debatable whether there is a wider systemic problem here in respect of the planning system for the development of land in Western Australia.

The government was given notice of this motion only yesterday and as I said, we are sympathetic to the concerns raised by the member for Collie–Preston. In a moment I will propose that we adjourn debate to give the matter more consideration over the next two or three weeks so that the government can form a definite position. We simply want to ensure that the action that is taken, either by Parliament or the government, will be the most

effective in providing a satisfactory resolution to the complaints that have been made by quite a number of people in the Dalyellup area.

I have also discussed this proposal with the Chairman of the Economics and Industry Standing Committee, the member for Riverton, who advised me that the committee is currently busy with an inquiry into franchising. That inquiry will apparently finish around the end of June, and the committee will then deal with an inquiry into caravan parks, at the request of the member for Mandurah. The order in which the committee undertakes its inquiries could, of course, be modified if there was agreement within the committee to do so; I expect that that is something that will be open to consideration. My point is that there will not be any action by the committee on this issue within the next three weeks in any case. Deferring a final decision will not therefore put in jeopardy the interests of any of the purchasers of land in the Dalyellup area.

There is always a limit to what governments can do to remedy issues that are primarily about the fulfilment of a contract between two parties. The legal system of this state is available to deal with these matters where appropriate, and legal action has been initiated by some of the purchasers, as I understand it.

Mr M.P. Murray: We shouldn't allow this type of thing to happen, because there is no doubt, given the number of people coming into this state at the moment, that there is going to be another rush for land. It is really important that we take this seriously.

Mr J.H.D. DAY: I agree with the member that this is a serious issue, and I am sure that we all share a desire to ensure that people do not get burnt when they enter into these contracts. If there are systemic issues that need to be looked at, I can say on behalf of the government that we will be happy to do so. Having said that, there is always the prospect of land developers or vendors of any commodity not fulfilling their obligations, for whatever reason—financial difficulties, poor management, management by people of ill intent, or whatever the case may be. Parliaments can never guarantee that these sorts of issues will not arise in the future.

As I said, the government takes seriously the issues raised by the member for Collie–Preston. They have previously been raised through the media as well. The only question really is what course of action which is most likely to result in the best possible outcome for the purchasers of land in the area. From the government's point of view, we would just like to give that a little more consideration over the next couple of weeks or so before we make a final decision. My current inclination, having discussed it with a couple of my colleagues, is that we will probably support the motion in the end.

Mr M.P. Murray: You might give that donation back so they can get a couple of fences done!

Mr J.H.D. DAY: The gratuitous comment the member for Collie–Preston makes about political donations, I can assure the house, has no absolutely no bearing on the government's consideration of this issue. Any political donations that might have been made by this company or any other company are not something that I am familiar with anyway prior to the member raising the issue here today. I can assure all members that that aspect has been given no consideration whatsoever. Our concern, like the member for Collie–Preston and all members in this Parliament, is to do what we can to most effectively ensure that the interests of the purchasers of land in Dalyellup are protected. With those comments, I seek leave to continue my remarks at a later stage, and in doing so indicate that we will be happy to continue this debate, if the opposition wishes, when Parliament next resumes past the estimates committee stage of the budget.

[Leave granted for the member's speech to be continued at a later sitting.]

Debate thus adjourned.