

LANDGATE OFFICES — SALE

**674. Dr D.J. HONEY to the Premier:**

In question time on Tuesday, the Premier stated with regard to the sale of the Landgate building —

Finance has been told that the Auditor General has made no findings in relation to the lease negotiation process or financial modelling that supported the sale and lease-back transaction. The Auditor General has looked at it and that is the finding. As I said, there is no issue with the financial modelling or lease negotiations.

- (1) Will the Premier confirm to the house that the Auditor General has, in fact, made no findings in relation to this transaction?
- (2) Has the Auditor General determined whether this deal has achieved the best financial outcome for the state or has the Auditor General simply determined whether administrative processes were properly followed?

**Mr M. McGOWAN replied:**

- (1)–(2) As I outlined to the house the other day, the Auditor General has reviewed the issue as part of the Department of Finance’s 2021–22 financial audit. Finance was told that the Office of the Auditor General had made no findings in relation to the lease negotiation process or financial modelling that supported the sale and lease-back transaction. That is what I said to the house the other day. That is what I will say to the member again today.

*Point of Order*

**Dr D.J. HONEY:** Point of order, Madam Speaker.

**The SPEAKER:** Just wait for a moment. So long as it is a point of order and not a supplementary question, you can have a point of order.

**Dr D.J. HONEY:** Thank you very much, Madam Chair. Is that an official document that the Premier is reading from or is it his own notes?

**The SPEAKER:** I will ask the Premier to respond.

**Mr M. McGOWAN:** They are notes prepared for Parliament. In any event, I did not quote from it.

*Questions without Notice Resumed*

**Mr M. McGOWAN:** The Landgate transaction process, as I outlined to the member the other day, was a market-led proposal that was assessed by a range of government bodies—Finance, Treasury and so forth. Of those bodies, a number of them recommended to government that we do it because the building itself is under-utilised and requires an extensive amount of work to get it up to standard. Then we brought two other government offices into that building in that area—Department of Communities’ offices—for which we do not have to pay lease fees. The assessment was that over a period of time—20 or 40 years or whatever it is—there would be a \$12 million saving compared with the alternative of the government continuing to own it and having to upgrade that building. That is the finding of all those bodies. We accepted that advice. That is an independent process of government. I do not know whether the member does not like Georgiou—the winning company—or whether the member just looks for anything to cause trouble with. The market-led proposal process is designed to come up with innovative things, and we have a range of them on foot that are under consideration. They are innovative ways of taking ideas from the private sector, which the member appears to not like. The process comes up with innovative ideas to create jobs and new opportunities and the like. That is what it is about. But it has so many probity checks in it that it is a high bar to jump. Other states have done it for a long time. We are new to it because the last Liberal government did not want private sector investment—that was not its thing. We are trying to get private sector investment into these innovative things and revitalise the heart of Midland. What is wrong with that? The assessment by the bodies that analyse this was that it was a more affordable option than the government owning and upgrading the building.