

Hansard

Legislative Assembly Budget Estimates Committee B

2 June 2010

Dr M.D. NAHAN: I refer to the third dot point on page 259 of the *Budget Statements*. An issue in the past, particularly under the previous government, was the availability of land and particularly the ability of LandCorp and the state land developers to get land to market. The dot point states that the Economic Audit Committee has a plan for the release of land to help development in the Pilbara. Can the minister describe some of the efforts that he has made there?

Mr B.J. GRYLLS: I thank the member for Riverton. The availability of land in the Pilbara was a fundamental disincentive for government, small business and everyone else to undertake business in that part of the world. When we came to government, the track record of LandCorp was, effectively, to release about 300 lots a year.

The bottom line was that by creating just 300 lots a year, demand continued to skyrocket and rents continued to grow. People who wanted to be involved in small businesses or who were not involved in the mining sector faced enormous challenges. Since we formed government, LandCorp has committed to bring more than 1 000 dwelling units to the market this year. As well as LandCorp's involvement, we are bringing more in globo lots to the market and engaging the private sector to develop those lots parallel to what LandCorp is doing.

That could see more product being brought to the market. We are very happy that considering the private sector showed no interest in the Pilbara over many years, that situation has now turned the corner. We now have major interest from the private development sector in the Pilbara and they are winning major contracts. Humfrey Land Developments is a Geraldton-based property developer and has just won an expression of interest invitation in South Hedland. Finbar Pty Ltd, which we have talked about, has been awarded a high-rise apartment project in Karratha and Ozcorp Pty Ltd has projects in most Pilbara communities. There is very strong interest from eastern states' developers that are starting to catch on to the fact that the growth in the Pilbara means that the Pilbara is a very positive place for their businesses to locate.

I welcome the fact that eastern states' developers are now looking to compete with Western Australian developers to bring land and housing to the market. A purely normalised market in the Pilbara would not need the involvement of LandCorp at all. I hope that that is where we are heading. We are not there yet by a long way, but as the minister in charge of LandCorp, I am hoping to do LandCorp out of a job and to have the private sector take its place.

I want LandCorp to work in other areas where the market is failing and hopefully build those areas in the future. The proof will be in the pudding as we start to meet outcomes rather than just talk about targets. Projects like Finbar, Ozcorp, Humfrey and others give us some confidence that as well as government capital and investment in the region, we also have private sector investment and capital coming into the region.

Dr M.D. NAHAN: Who does Finbar believe will buy the apartments? Will it be fly in, fly out workers or permanent investors?

Mr B.J. GRYLLS: It is a private project, so Finbar will need to go to the market. Normally, it would attempt to sell at least a portion of the project off the plan to underwrite it. There has been strong interest in the project from the resource sector. When talking to Finbar about its pricing, we hope that the price point will enable small business owners as well as government agencies like the Government Regional Officers' Housing and others to look to buy an apartment rather than buy a three-by-one or a four-by-two house in the suburbs of Karratha.

We believe that project will provide a whole new level of amenity, with commercial and retail on the ground floor, with gyms and pools and bars and so forth, and with people living eight or nine storeys above that. We believe that will really change the face of homeownership in the Pilbara. We hope that with projects like the Spoilbank Marina in Port Hedland quickly coming on line as well, projects like this will be possible along the coast of Port Hedland as well as in Karratha.