

GOVERNMENT RAILWAYS AMENDMENT BILL

Second Reading

MR OMODEI (Warren-Blackwood - Minister for Local Government) [11.19 am]: I move:

That the Bill be now read a second time.

The purpose of this Bill is to allow for railway land not required for railway purposes at Joondalup, Subiaco and land leased to Cooperative Bulk Handling Ltd in connection with its grain handling and storage business, to be leased for a period not exceeding 99 years. The Bill also provides for CBH to have an option to purchase the freehold estate in any such lands leased.

Currently section 63 of the Government Railways Act allows the Railways Commission, with approval of the Minister, to from time to time let or lease, for any purpose approved by the Minister, any land belonging to any railway but not required for railway purposes for a period not exceeding 21 years or where the Minister is of the opinion that, because of the special circumstances of the case, the granting of a lease for a period exceeding 21 years is justified, the Minister may authorise the commission to grant a lease for a period not exceeding 50 years.

In connection with commercial developments at Joondalup, LandCorp advised Westrail that its negotiators have experienced investor dissatisfaction with the maximum 50 year lease term, particularly because of the high capital investment required and the absence of a sufficiently long tenure for that investment.

As a result, LandCorp has sought an amendment to the Government Railways Act to permit leases of up to 99 years at Joondalup. The amendment with respect to Joondalup would have application for the section of railway only from the intersection of Grand Boulevard and Joondalup Drive to where the railway passes under Joondalup Drive to the north of Joondalup railway station.

This Government has implemented the Subiaco redevelopment project, which will sink the railway through Subiaco in a tunnel. The Subiaco Redevelopment Authority, which is managing the redevelopment works, will market the land above the tunnel which is available for lease and will receive lease revenue by way of one up-front payment. The lease moneys received will be applied to the sinking of the railway project.

Similar to the situation at Joondalup, there has been dissatisfaction with the current maximum 50 year lease term

available at Subiaco under the Government Railways Act because of the high capital investment required and the absence of long term tenure.

The Subiaco amendment would have application to railway land on top of any tunnel within the Subiaco redevelopment area as defined in schedule 1 of the Subiaco Redevelopment Act.

CBH wishes to protect the considerable investment it has in grain handling and storage facilities and has expressed a preference to purchase about 130 of the sites leased from Westrail upon which it has installed such facilities. However, the process to acquire the sites in freehold would take about five years for ownership of all the sites to be transferred due to native title considerations, land surveys, etc. Also, the costs of subdivision would be expensive in comparison to the land value of sites given the requirements for services to be provided to the created lots.

Accordingly, the option to lease the land for an extended period is attractive to CBH and is supported. I table the attached committee notes and have pleasure in commending the Bill to the House.

[See paper No 1361.]

Debate adjourned, on motion by Mr Cunningham.