Dear Minister

WESTERN AUSTRALIAN LAND AUTHORITY AMENDMENT BILL 2003

We have only recently become aware of the Western Australian Land Authority Amendment Bill 2003.

From our initial inspection, there are aspects of the Bill that are supported. These include the objective to account for environmental outcomes and clarifications of powers that can be exercised.

However, there are a number of aspects of the legislation that, on first inspection, are of concern:

- the capacity for LandCorp to act as a more aggressive competitor in industrial, office and retail land development and urban renewal, where there are already numerous, successful private sector operators. There is not a clear rationale expressed for the intervention of LandCorp in all these markets.

- the creation of an uneven playing field for other property developers. LandCorp gets preferential treatment from other Government agencies (with quicker decision making), and has the benefit of stating “implementing government policy”. Interest rate benefits are another potentially anticompetitive feature of the Bill.

- the potential for the perception of a Government agency getting closely involved in corporate dealings in areas traditionally the preserve of the private sector.

- the overlap with the role of redevelopment authorities.

- the clear potential for a conflict of interest between the duties of the LandCorp representatives owed to the State versus the duties (fiduciary and statutory) owed to other parties to commercial arrangements entered into by LandCorp.

- the lack of incentives to minimise staff salaries after being freed from Government wages policy decisions.
In our opinion, there should only be a role for LandCorp in a development where there is not private sector interest.

These are the results of a preliminary review of the legislation and are not exhaustive of the views of the Property Council of Australia.

Yours sincerely

Mr Joe Lenzo
EXECUTIVE DIRECTOR