



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON PLANNING, PUBLIC WORKS AND
TERRITORY AND MUNICIPAL SERVICES**

(Reference: [Annual and financial reports 2009-2010](#))

Members:

MS M PORTER (The Chair)
MS C LE COUTEUR (The Deputy Chair)
MR A COE

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 2 NOVEMBER 2010

Secretary to the committee:
Mrs N Kosseck (Ph: 6205 0435)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

APPEARANCES

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| Chief Minister's Department | 1 |
| Department of Land and Property Services | 1 |
| Land Development Agency | 1 |

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Amended 21 January 2009

The committee met at 9.05 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Land and Property Services, Minister for Aboriginal and Torres Strait Islander Affairs and Minister for the Arts and Heritage

Chief Minister's Department

Zatschler, Mr Gerhard, Manager, Heritage Unit and Secretary, ACT Heritage Council

Department of Land and Property Services

Dawes, Mr David, Chief Executive

Tomlins, Mr George, Deputy Chief Executive

McNulty, Mr Hamish, Executive Director, Property and Strategic Projects Division

Thomson, Mr Ian, Acting Chief Operating Officer, Strategy and Corporate Division

Ryan, Mr Stephen, Director, ACT Property Group, Property and Strategic Projects Division

Land Development Agency

Robertson, Mr John, Chief Executive Officer

THE CHAIR: Good morning, Chief Minister. Welcome to this public hearing of the Standing Committee on Planning, Public Works and Territory and Municipal Services, which is looking at the annual and financial reports.

THE ACTING CHAIR (Ms Le Couteur): We are looking into the annual and financial reports. We will start with the ACT Heritage Council, then the Department of Land and Property Services and the Land Development Agency. You all have the yellow card. I am happy to read this out to you but I suspect that you have all read it many times before. Have you had a chance to read the privilege card and do you understand the implications of the statement?

Mr Stanhope: Yes.

Mr Zatschler: Yes.

THE ACTING CHAIR: Thank you, gentlemen. Before we start with questions, would you like to make an opening statement?

Mr Stanhope: Thank you, Ms Le Couteur. No, I do not wish to, other than, as always, of course, to thank you for inviting myself and officials to appear today. We look forward to providing whatever assistance we are able to provide.

THE ACTING CHAIR: Thank you, Mr Stanhope. I might start by talking about heritage issues in Molonglo. Were there any surveys done? Did the ACT government

consider or conduct surveys of heritage sites in Molonglo before the National Trust and the Canberra Archaeological Society raised concerns about 12 Mile and other archaeological sites in January? If not, why not?

Mr Stanhope: Mr Zatschler would be happy to respond to that.

Mr Zatschler: My understanding is that quite a number of surveys have been undertaken in the Molonglo valley, commissioned by government agencies, including ACTPLA.

THE ACTING CHAIR: And they were done before the National Trust—

Mr Zatschler: Yes, before the National Trust—

THE ACTING CHAIR: raised concerns.

Mr Zatschler: raised concerns. Some of these go back several years—four or five years.

THE ACTING CHAIR: Have any of the sites—12 Mile, Riverview or the Aboriginal artefact sites—been nominated for entry onto the heritage register?

Mr Zatschler: They have not been nominated as such. With the Aboriginal sites that have been identified, technically they are protected under our act.

THE ACTING CHAIR: Technically they are protected under?

Mr Zatschler: The Heritage Act.

THE ACTING CHAIR: The *Draft strategic assessment report of the Molonglo valley plan for the protection of matters of national environmental significance* states:

There are 79 previously recorded Aboriginal heritage sites located within, or immediately adjacent to the area of the draft variation ... It is likely that additional, as yet unrecorded sites are present within the proposed development area.

What actions have you taken to discover and protect these, apart from just saying “Yes, they are protected”? That is not, in itself, protection. What actions have been taken to actually protect and discover?

Mr Zatschler: Not all of the surveys have been completed. As the reports come in, they are considered by the Heritage Council. The Aboriginal sites are automatically protected. Every Aboriginal artefact, every Aboriginal scar tree or rock art site in the ACT is a protected site under the act. What we would do in those circumstances is record those on our database and, where there is a level of significance, we would actually register the site.

THE ACTING CHAIR: And that information then goes to ACTPLA for its planning?

Mr Zatschler: It would be on our database and ACTPLA would be aware of it. Given that ACTPLA have actually commissioned the reports, they would be aware of the information already.

Mr Stanhope: Just for the sake of clarity, Ms Le Couteur, so that there is no misunderstanding, my understanding—and Mr Zatschler might correct me if I am wrong—is that, in the context of planning for the development of Molonglo, ACTPLA, at that planning stage, that contemplative pre-decision stage, did undertake all of the survey work that it believed appropriate in relation to heritage, heritage issues and potential heritage issues within the initial suburbs of Weston, Wright and Coombs.

It has to be said that work has not been completed in relation to the rest of the possible development of Molonglo. I think we would all concede, Ms Le Couteur, that in an ideal world it would have been convenient if all of the heritage survey work for the whole of Molonglo might have been undertaken as a single project, and work will now proceed in relation to other heritage issues.

I should say, too, that I am very aware of the serious concerns raised by, most particularly, the National Trust, and certainly the Canberra Archaeological Society. They have been in touch with me. I have responded to them on the basis of advice that I received from the heritage unit around the processes. Indeed, over the last few weeks, during my absence, I have received a further letter from the National Trust, again raising their continuing concerns about, most particularly, the 12 Mile site. I do intend, when I can fit it in over the next couple of weeks, to visit that site.

We had sought to assuage the concerns that the National Trust had raised in relation to 12 Mile. We are very aware of the issue and of their concern. At one level it is not consistent, I think it is fair to say, with the view that ACTPLA have presented in relation to that particular site. For myself, and on behalf of the government, having regard to the National Trust's persistence in raising concerns about the 12 Mile homestead site, I do intend to visit it. I am happy to do that with the National Trust to get a deeper understanding of why it is that they are not as accepting of the view or the attitude which ACT government agencies have adopted in relation to the site.

I think the work has been done, Ms Le Couteur. It is quite clear that the National Trust is not as accepting of the attitude which the government has developed. I accept that, and I do propose to seek, in consultation with it and through a site visit, to better understand why the National Trust continues to hold the strong views that it does about this site.

MR COE: I am curious about the role that the Heritage Council has had with regard to the Yarralumla brickworks and the developments there. Would you please advise what role you have had—

Mr Stanhope: Is this in relation to the current investigation of options for the future?

MR COE: That is right.

Mr Stanhope: So in relation to the current process?

MR COE: That is right. And what role the Heritage Council has had and what role it will have going into the future.

Mr Zatschler: In relation to the works that have been going on at the moment, the LDA has been coordinating a series of focus groups. The Heritage Council has representation on that. I have been attending some meetings. Dianne Firth, who is on the council, and Mike Pearson have been attending some of the other consultative meetings. So they are aware of the issues and have been raising heritage concerns in relation to the proposed development.

The other process that my team has been involved in is that we worked with LDA at this time last year, outlining the need to upgrade the conservation management plan. LDA commissioned consultants to undertake that work. To facilitate that process, we received a draft. We went through it. The task force reviewed that and they then provided feedback to the consultants. The report was then finalised and endorsed by the Heritage Council in May last year. So in terms of the conservation management plan which will guide the development on the site itself, in terms of the intrinsic heritage values of the brickworks site, that will be part of the conservation management plan.

MR COE: Have you been advised of any time lines that you will have to work to?

Mr Zatschler: In relation to?

MR COE: In relation to all future involvement of the unit.

Mr Zatschler: Not as yet. I am not sure if the LDA have put out time lines.

Mr Stanhope: There are no decisions. In an environment where I have not been presented with a view through the consultation, I am not even sure that it has been concluded yet. So in the context of time lines in relation to future action or activity, absolutely no decisions have been made through this process. I am not sure that it is a question we can answer.

MR COE: Sure.

Mr Stanhope: I might say, Mr Coe, that the LDA is leading the consultation on the brickworks. In fact, I might learn something as well, if you were to ask the question of the LDA when the LDA appears later this morning.

MR COE: Sure. Were the heritage unit or the council invited to participate in the public consultations that have occurred?

Mr Zatschler: In the sense that some of the steering committee members have—yes, we have been. Certainly, the chair of the council has been at some of those public consultation meetings. I think Dianne Firth has been there wearing two hats—Heritage Council and another organisation she represents. So the Heritage Council has been involved.

MR COE: What proposals have there been in the past, prior to this one, for redevelopment of the site or for sprucing up the brickworks? What proposals have there been in the past, if any, to develop the brickworks, to spruce it up, to re-use it or whatever?

Mr Stanhope: Over time, of course, Mr Coe, there have been a number of proposals. It would perhaps be best if we took that question on notice. There have, of course, been a number of proposals. None of them have ever come to a conclusion, in the context of any major coordinated development. Of course, there have been activities pursued at the brickworks from time to time. I think it would be best, and for the sake of completeness, if we took the question on notice.

MR COE: Sure. Finally, with regard to the current perimeter of the brickworks, do the council or the heritage unit have a view about whether any residential should encroach into that area?

Mr Zatschler: I am not sure if the council has a view on that.

Mr Stanhope: We might take that on notice to see whether the council has ever expressed a view on that, or to the extent that it has, Mr Coe.

MR COE: Okay. Will you also please take on notice whether the council or the unit have a view on whether development on neighbouring blocks will compromise the heritage integrity?

Mr Stanhope: Sure. Without speaking for the council, in conversations that I have had, most particularly with the chair, the council is very aware of the advantage of adaptive re-use of heritage facilities as a broad rule—accepting, of course, that there would be instances where there would be an exception to that rule. I think it is fair to say, Mr Coe, that it would certainly be an accepted view—correct me if I am wrong, Mr Zatschler—supported by the Heritage Council as a unit, that adaptive re-use of heritage facilities is a very desirable outcome in many instances in relation to the capacity to maintain places of heritage significance.

Mr Zatschler: From a council perspective, the worst thing would be to do nothing—to leave the site as it is.

Mr Stanhope: I can't speak for the council, but just as a standing rule, in every conversation I have ever had, there is a very real willingness to accept the adaptive re-use of facilities such as the brickworks. It is a position that was taken in relation to, of course, the powerhouse, where the glassworks is now located. It was a proposal that was fully supported by the Heritage Council in relation to the preservation of that building, giving it life, and a life that ensures that the inherent, intrinsic heritage values are protected forever. I would think, expect and hope that the Heritage Council would adopt that same attitude to a future for the brickworks. But I am not speaking for them. That would be my hope, and I believe it would be their view.

MR COE: If, indeed, the worst thing would be to do nothing, does that mean that a development either there or adjacent to it is inevitable?

Mr Stanhope: Nothing is certain except death and taxes, Mr Coe. But I do not think it is fair to say it is inevitable.

MR COE: Sure.

THE CHAIR: I apologise for my quick exit there, minister. I have a question about heritage tracks. I was fortunate to be able to open one of those interpretative signs some time ago. On page 17, reference is made to that. I note that 33 signs have been installed across the ACT. I was wondering how many more signs might be planned and what has been the community reaction to them. I think they are fantastic.

Mr Zatschler: I cannot give an exact number of signs that are going to be introduced because it is an evolving situation. What the team has been doing, in addition to the funding that we have received through the budget process, is actually negotiating partnerships with other agencies and the private sector. So we are actually growing the signs in other areas, which is sort of beyond the original expectations.

I have brought along with me copies of the Canberra tracks brochure which outlines the four tracks. Originally there were three self-drive tracks. That is now four. One is a pioneers track. The most recent one is the pioneers cemeteries track that has been unveiled.

In addition to that, we have recently put up some signs in Telopea Park linking the powerhouse with Manuka. We have called that the four churches walk. It is the four significant churches, which are the Greek Orthodox Church, the Canberra Baptist Church, St Paul's Anglican Church and St Christopher's Catholic Church. There are a number of heritage places along the way that have interpretative signage, including the ex-services club and the Manuka pool. Education has funded the sign at Telopea Park.

We have been working with TAMS in terms of the Ainslie shopping centre upgrade. Some interpretative signage is coming through that. That is coming out of a different bucket of money. But again, the interpretative signage with the Canberra tracks logo will be part of that. You will have noticed that signs have gone up around London Circuit and the Sydney and Melbourne buildings giving a bit of an explanation about those buildings.

Later this week I will be meeting with the ANU exchange people about some interpretative signage being put in the Childers Street precinct linking in with the Acton walkway proposal that is happening. There are also a number of developers that have indicated they are looking at putting interpretative signage out at west Macgregor, possibly Crace.

That is sort of evolving; so we are not just looking at the money that has been appropriated. It is very popular. The community reaction has been very positive to the point that we actually get emails periodically or Canberra Connect get messages from visitors to Canberra highlighting the satisfaction that people have received from having a bit of interpretation when they are going around Canberra.

THE CHAIR: That is good because I notice when I go to other cities they usually have something like this. I think this is something that perhaps we have not had in the past but that we needed. I think it is great. I know that it very popular. People ask for them from me in my mobile offices all the time. When I ran out I had to quickly go and get another lot because they are popular with people who live here as well as with visitors. So I am glad that more are planned and that we are getting some extra support.

Mr Stanhope: This year's budget I think provided \$100,000?

Mr Zatschler: \$100,000, yes.

Mr Stanhope: Specifically, I have a strong desire that in the future many of the pre-1913 heritage assets, such as perhaps the 12 Mile homestead, are appropriately signposted. It is a little different from the walks signage or the drive signage.

THE CHAIR: Yes.

Mr Stanhope: The tracks program is a little different. Many of them are a little isolated. Nevertheless, in the context of our rural settlement history, I think they are important. I give as an example the Belconnen church. I honestly believe it is important that we signpost all that remains of the Emu Bank homestead. It is the oak tree in front of the Belconnen library. I believe it is appropriate that we indicate that this was essentially in an earlier time where one of the early dwellings was.

There are dwellings or the remnants of dwelling—piles of bricks or more often than not, trees—at Charnwood, Weetangera, Belconnen and Macquarie. These are the scattered homesteads that comprised the first settlement of Belconnen. It is the same throughout the whole of the ACT. In this year's budget we have provided funding for signage for all of those old homestead sites.

THE CHAIR: In terms of promoting our heritage, Chief Minister, I think it says on page 132 that we had a 30 per cent increase in the number of people who came to the heritage festival. I presume that this festival will be planned for 2011. I was just wondering how we measure the success of that festival.

Mr Zatschler: Planning is already well underway for next year's heritage festival. As part of the process, the festival activities are actually coordinated by community groups or interested parties. We have a coordination role in advertising the festival itself. In terms of measuring the numbers, we had evaluation forms that were given to all of the organisers. Most of those were returned. They indicated an estimate on numbers in terms of people participating. The one thing that is absolutely certain is that we have gone from about 70 to over 100 activities being organised, not just here in Canberra but across the region.

Particularly as we are leading up to the centenary in 2013, there is growing interest in community groups to get involved and to get on board before 2013. We have had activities in Queanbeyan. Last year Collector came on board in terms of the 150th anniversary of the Bushranger Hotel. Goulburn has been running activities. It is likely that other regional centres will want to get involved given that the bid for Canberra

was a regional bid. I think that other jurisdictions around Canberra want to be part of that festivity.

In terms of measurement of the festival, it is based on feedback from organisers and attendance. My team goes out to events—not to all the events—on weekends and after hours to gauge it as well. Then there are also the media stories that come through. I think that during last year's festival there was a story just about every day. We had some headline events such as the Tidbinbilla extravaganza.

The National Trust ran a day out at Elm Grove. We had the Jane Austen festival happening. I think next year the Rolls-Royce people are on board. They are having a rally here in Canberra. That will be at the start of the festival; so it is growing. People who have not been involved in previous years are starting to get interested in coming on board.

THE CHAIR: So is the 30 per cent increase occurring in the groups that are participating? Is that is where the increase was?

Mr Zatschler: I think it was 30 per cent in the groups but also in the feedback on crowd estimates that we had—

THE CHAIR: All right, in the crowd estimate.

Mr Zatschler: There were actually more people getting involved in the activities and, as I said, it is hard to gauge how many people go to the Tidbinbilla extravaganza. One estimate was 4,000; another was 6,000. If anything, the figures that we have put forward are conservative.

MS LE COUTEUR: I have just been looking through this. It is great. I was just looking at Tharwa and I note that we do not have Cuppacumbalong as one of the places. My understanding was that it is heritage listed and that as part of the lease it was to be available to the public. I was wondering what the status is, given that it is not one of your destinations.

Mr Zatschler: I am not quite sure why Cuppacumbalong is not there but I think there was a limit in terms of the number of places that were listed. I think there is the bridge and there is the pioneers cemetery. At the time of publication, Cuppacumbalong, as I understand it, was not open to the public in any event. It had been closed. I am not sure where it is at with the lease.

Mr Coe: Is it listed?

Mr Zatschler: It was listed when the transfer from the commonwealth—

Mr Stanhope: That is a good point, I have to say. I think you raise an interesting point. I think you are aware that there is currently some legal action in relation to Cuppacumbalong and its continued and further use. I think there is an issue for the government and the community in relation to the re-use and the use of heritage-listed buildings. It is a vexed question. The questions have been aired now, I think quite legitimately, in relation to Cuppacumbalong.

I have raised similar issues with the Heritage Unit and Mr Byles in relation to the Tuggeranong schoolhouse, for instance. I think in the context of the development of the ACT, our history and our heritage, the Tuggeranong schoolhouse is a very significant place. Similarly, it is not open to the public. It has a private tenant or resident who lives there. The schoolhouse is their home.

I have asked questions about whether or not we should not be thinking a little more strategically around the uses that significant heritage sites are currently being put to where that use limits access by the public to the site. I think both Cuppacumbalong and the Tuggeranong schoolhouse are good examples of where we should be questioning whether the exclusion of the public is appropriate.

THE CHAIR: Do you have any questions, Mr Coe?

MR COE: I note the original registration of the St Patrick's Church in Braddon. What does that mean in real terms for any possible development there?

Mr Zatschler: Can I just explain? Possible development obviously cannot be ruled out. Where we are at in the process at the moment is that the place has been nominated to the Heritage Council for inclusion on the register. An assessment was made and council made the decision to preliminarily register the church. That is where we are at at the moment. That decision has been notified. We are in the midst of a public consultation period. Actually, I think that the public consultation period is closed. Those comments will be coming through to the council. They will then take those into account and make a decision about whether to proceed with registration or not.

If the council decides not to register it, there are no restrictions on development. If the council decides to register it, it would really depend on the nature of the conservation management plan that is prepared and endorsed by the council. There may be scope for some development. There may be scope for no development. It really depends upon what is proposed. The key will be the information that comes forward during the public consultation period.

MR COE: You might need to take this on notice but will you please advise how many submissions were made in respect of that consultation?

Mr Zatschler: Absolutely.

MR COE: Do you know when the council will look at it or at least start to look at it?

Mr Zatschler: It will depend upon—the council will look at it as it is. The task force that has been set up will look at the submissions that have come through. My understanding is that some people have sought a meeting with council to explain the situation. That needs to be worked through. Council wants to make sure that they have all the information available to make an informed decision on the heritage values.

MR COE: So are we looking at 2011 or 2012?

Mr Zatschler: I expect a decision will be made early next year. The next council meeting is scheduled for December. It is unlikely that that will allow sufficient time in the process because there are a number of mandatory steps that need to be followed as part of the process. My expectation is that if sufficient information is available, council may be able to make a decision in March or May next year.

MR COE: While we are on time frames and the backlog, page 133 talks about the backlog of 230 historic places. Do you know where that sits at the moment?

Mr Zatschler: I know that at the end of April council had an extraordinary meeting to consider steps to deal with the register backlog. They have set up some committees to have a look at the files and the information that we have got. To that end, a number of registrations have proceeded. I think we are down to around 211, but what you need to understand is that as places get registered, there is an appeals process and a number of decisions have been appealed. That is a very time-consuming process for council and the team in terms of preparing the documents, attending ACAT and going out on inspections.

To that end, later this week I think there is an ACAT hearing on an appeal. There are a couple of days involved in that. That process is happening and also nominations are coming in. For every two that we have been processing, another one has been coming in. Rather than putting those at the bottom of the backlog, a number of those have been progressed fairly quickly.

MR COE: If the delay is caused by the ACAT hearings, what sort of resources are taken up within the unit, whether it be actual man-hours of the staff or the budget through legal costs?

Mr Zatschler: The legal costs have been picked up by GSO. It is hard for me to put a figure on that. In terms of the team, there are days involved in photocopying papers and organising the documents for ACAT to make sure that they get distributed. There are witness statements that need to be prepared by all members of the council. There are meetings with solicitors and barristers. Then there are site inspections that get taken into account. There are two days at ACAT scheduled for later this week in relation to one of the appeals. Then ACAT takes two or three weeks—sometimes a month—to reach their decision.

It is a fairly time-consuming process. It is hard to put a definitive time line on it but it certainly takes priority. We have tight deadlines to get the information to ACAT and the various legal parties.

MR COE: And how many full-time equivalent staff are there in the unit?

Mr Zatschler: There are about 12 of us.

MS LE COUTEUR: I have more questions.

THE CHAIR: One more, then we will move on.

MS LE COUTEUR: Continuing on with the backlog, why has it taken 12 years to

assess the National Trust nomination of Hill Station homestead and eight years for the Tharwa village precinct when both of these nominations were financed by the ACT heritage grants program? I understand that, because of that, they were written and researched by qualified heritage consultants, so the work for you guys should have been comparatively low.

Mr Zatschler: If only. I cannot really speak for my predecessors, as this is a workload that my team has inherited. My understanding is that a number of consultants were commissioned early, sometime between 2000 and 2004, to do the assessments, and they were done against the old act. When the new act was implemented in 2005, the criteria had changed slightly, so that needs to be redone. Some of the work that had been undertaken by consultants did not pass Heritage Council scrutiny.

MS LE COUTEUR: So what are you going to do? What will happen with these?

Mr Zatschler: Well, as I indicated earlier, the Heritage Council had an extraordinary meeting at the end of April to develop strategies and priorities. Part of that process has been going through each of the files and having a look at what information is available or what has been done previously. They have then put back an order of priority to my team to rework the documents where there is information and to initiate research where there has not been any. So it is not just a question of topping and tailing them. Some of it actually needs quite a bit of extensive research and it needs to be rewritten against the new criteria that we have got. The format of the citations is evolving and some of it has changed.

MS LE COUTEUR: So do you have any idea of how many you are going to deliver next year, give whatever changes you made in April?

Mr Zatschler: I think we will do a stocktake at the end of the year just to see how we have progressed with the appeals and the nominations. Some may be easier than others, and when the council decides not to proceed with registration on some, that is a more straightforward process than doing the full research.

MS LE COUTEUR: Are most of your appeals appealing against things being nominated or things not being nominated?

Mr Zatschler: It is both ways; it is decisions to register, decisions not to register. A decision to register was recently overturned by ACAT in relation to a house in Forrest.

MS LE COUTEUR: What sort of numbers of new registrations or new requests for registrations are you getting each year?

Mr Zatschler: I think there is a heads up in terms of—

MS LE COUTEUR: I have looked through it, but I was not absolutely sure really what the answer to that was.

Mr Zatschler: In the 12 months ending 30 June, we received 12 nominations, nine of which were accepted and three of which were rejected. Seventeen places were

assessed.

THE CHAIR: Thank you.

MS LE COUTEUR: I have got some questions I could put on notice.

THE CHAIR: Thank you very much. We will leave heritage now. Thank you very much, Mr Zatschler, for your participation this morning. We will now have Land and Property Services to the table. Good morning, Mr Dawes, Mr Tomlins, Mr McNulty and Mr Thomson. You were all here when we went through the privileges card?

Mr Dawes: I came in late, but I understand the implications of the privileges card.

THE CHAIR: Thank you. Welcome to this hearing of the annual financial reports for 2009-10. Chief Minister, do you have any opening remarks you want to make on this particular area?

Mr Stanhope: No, thank you.

THE CHAIR: We might go straight to questions then. Ms Le Couteur.

MS LE COUTEUR: I guess the obvious question is: is LAPS now responsible for technical variations to the territory plan? I was listening to radio station Triple 6 before I came down, and I was just quite surprised.

Mr Stanhope: By what?

MS LE COUTEUR: It was my understanding that there was a question about a technical variation to the territory plan. I must admit I have not read that technical variation, but I was just surprised to find that LAPS was the agency commenting in the *Canberra Times* and then on Triple 6 about it. I guess it is about the relationship between ACTPLA and LAPS and how—

Mr Stanhope: Mr Dawes will be more than happy to answer that. But I think, to be fair and non-political, Ms Le Couteur, issues in relation to the development of a new suburb actually attract the attention of ACTPLA. Our planning authority overlaps—

MS LE COUTEUR: It is their job, I would have thought.

Mr Stanhope: In relation to planning, but in relation to delivery and land development, we have a department—Land and Property Services—and we also have a statutory agency—the LDA—which is also a joint venture partner. I would have thought, Ms Le Couteur, in relation to a genuine interest in land planning, development and housing outcomes being achieved in a particular suburb, you might have gone to ACTPLA or you might have gone to Land and Property Services or you might have gone to the LDA. Each of them would have a particular perspective and a particular administrative and statutory responsibility in relation to those issues.

If you want to know about the specific aspects of the operation of the territory plan or the Planning and Development Act in relation to technical amendments or otherwise,

you might wish to consult with ACTPLA, but if you want to know about the decisions that have been taken in relation to block yield and land development, then I would suggest you would be far better speaking with Mr Dawes or Mr Robertson.

Mr Dawes: If I could just add to that, it was very unfortunate the way the article was reported in the *Canberra Times*. It was a collaborative effort. We had a number of questions that were fielded by Mr Thistleton of the *Canberra Times*. Some crossed across our portfolio and the LDA and also some across planning. We provided all of those answers back to the *Canberra Times*, but sometimes the *Canberra Times* choose to print what they wish to print. So I think, unfortunately, the full story was not told there.

Obviously, ACTPLA respond to the technical amendments. There were a number of other questions around yields and also future development in and around Casey 4, which we responded to. But I think also we have got to always remember that when concept plans are first done, ACTPLA do broad studies in jurisdictions, and when those blocks go out into the private sector, they actually do a little more work on the estate development plans, and sometimes it can increase in yield.

In the case of Delfin Lend Lease, they have chosen to increase their estate by 120 by reconfiguring some of the blocks and so forth. This is an evolutionary process that the industry goes through.

MS LE COUTEUR: Just getting back to the process which Mr Stanhope alluded to, the technical plan variation, in effect, had been driven by LAPS saying that you wanted a higher yield. Is that how it works?

Mr Stanhope: LAPS has a facilitating role and works very closely with the development industry in housing. It is part of its reason for existence. Mr Dawes could take you through the steps involved, if you wish to choose either Casey or Crace. It does need to be understood in relation to Crace, Ms Le Couteur, that it is a joint venture development. The ACT government, through the LDA, is a 50 per cent owner of that development.

So when you ask who it is driven by, to some extent, it is the LDA in partnership with its joint venture partners—CHC Affordable Housing and Defence Housing. As Mr Dawes has said, the delivery of the original concepts then get down to the detailed estate development planning, which also have to be approved by ACTPLA, of course. They look at the opportunities that are presented by a particular site.

When you ask who it is driven by, of course it is the developer. But, in the case of Crace, it does need to be understood that we, the ACT government, through the LDA, are the developer. But just for the sake of clarity, I think it would be wise for Mr Dawes to explain the technical amendment process, why it was a technical amendment, why that is appropriate—it is entirely appropriate for this issue to be treated as a technical amendment—and exactly what it is that is being sought to be achieved and why.

Just for the sake of completeness, now that you have raised the matter, we do need to explain the misunderstandings and, by omission, the misleading aspect of the

Canberra Times article, most particularly in relation to Casey. I have to say that, particularly in the context of the headline, the land at Casey has not been sold. It is the group centre site in Casey 4. The land has not been sold, and we have been up-front and very public and very transparent around our proposals and the prospects for that particular site. That is in the land release program. It went through the budget. It has been released and has been available for everybody all year that we proposed high density unit development around the Casey group centre, if anybody chooses to buy the site when it goes to auction in a few months time.

It is entirely consistent with standard practice in relation to the sale and the development of land in the ACT. To suggest, as has been suggested by the Deputy Leader of the Opposition, that we are cramming another 600 blocks into Casey is simply wrong. Unfortunately, the *Canberra Times* has given some oxygen to that misleading impression.

We are simply proposing to sell a block of land at Casey, known as Casey 4, for the construction of a group centre with high levels of unit development around the group centre. That will deliver another at least 500 units of housing, if that is what the developer chooses to do if the developer chooses to buy the site. To suggest that this is some grand conspiracy is just simply wrong.

The position in relation to Casey is quite straightforward. The government has been very clear for the last year that, in selling Casey 4 for the construction of a group centre, we would propose something in the order of 500 units be built or co-located with the Casey group centre. That is the position in relation to Casey.

Over and above that, as Mr Dawes has just mentioned, the developers of Casey 1 and Casey 2 have increased the yield by 120 blocks simply by some detailed planning which has had regard to the possibilities of expanding the yield. They have made that application and it has been agreed. That is just standard business in relation to development, whether it be in relation to commercial or residential land.

Crace is a little more complex, and I will ask Mr Dawes to go through that. There are no issues with Casey, other than a clear misunderstanding by Mr Smyth and, to some extent, by omission, a misunderstanding that has been repeated and given unfortunate oxygen by the *Canberra Times*.

There are 1,200 blocks going north. We are putting 5,000 units out for housing this year—5,000. We have got 700 out there, and there are still 4,300 to come. The headline might have been “4,300 more units of housing on the way in this financial year”. There will be 10,000 in the next two years and 14,000 in the next three years. The headline might have been “14,000 houses over the next three years”, not 1,200. That is what we are planning to do, and we have been very open about our plans. Mr Dawes will now, in detail, go through the steps that have been proposed in relation to Crace.

Mr Dawes: Chief Minister, we might have a tag team between me and George Tomlins. As the Chief Minister has pointed out, I think it is very important that one of the things that we are trying to do is ensure that people know what is going on in the precincts and that we print a four-year land release program. Casey has been

identified there—Casey 4—as 500 dwellings. It is important to realise that there are a number of studies that occur not only for the increasing yields in Crace and Casey but as we go through and look at sites, we do more detailed planning studies that the developers undertake. They do extensive traffic studies. All of these things look at the potential yields.

In the case of Casey 4, there has been a significant amount of work around traffic studies and trying to ensure—I think it ties in with the government’s policy on sustainable transport—that the long-term viability of group centres is maintained as well and hence why we are increasing the density in and around the Casey group centre. That will go to the market early in the new year—February, March, at the latest. It is important that the market will dictate what we get for that.

In the case of Delfin Lend Lease in Casey 3, they have configured the sites. They had a site there of 1,100 and they are now getting into the detailed planning of the estate. Obviously, a lot goes into the topography of the estate, as well as looking at increasing some of the yields. One of the key things is that the government had mandated 15 per cent affordable housing. It has now been increased to 20 per cent. Some of the products that are being sold in both Casey and Crace have been very well received by the market. They have been able to reconfigure to increase the sort of product that is sorely sought after in those suburbs.

In regard to Crace, there has been a strategic look at ovals and major infrastructure by sport and recreation. We actually facilitate a number of across government meetings to look at what can and cannot be achieved. When you look at the amount of capital works—I think the Chief Minister alluded to that in the radio interview this morning—and the infrastructure that has been put into Gungahlin and will be put into Gungahlin in future, it was agreed that we did not need the huge expanse of ovals that were to go into Crace. So we have reconfigured the guidelines that have been spelt out by sport and rec. We have reduced the number of ovals in Crace in accordance with the new guidelines and the new model that they are implementing.

We have got to also remember that we need to ensure that the communities that we build today are sustainable into the future. We all realise that water is important. We are trying to make sure that we have intensive recreation and playing fields in appropriate locations. Crace is very much on the perimeter of Gungahlin, so we are looking at increasing and enhancing playing fields in other areas—that is, more central to Gungahlin.

Obviously, that provides some opportunities for the joint venture. It is a joint venture to look at the product mix within Crace. Over the last few months as we have been further refining and looking at what is required at Crace, we have actually enhanced it with increased little pocket parks. This is going to be very good for people living in and around those areas. In many cases, rather than being consolidated in one portion of the estate, it is going to be scattered, so that will give a broader number of the community some additional recreation areas.

In policy with what we have done with Casey, we have looked at the group centre within Crace. There is a small local centre going into Crace. Again, it was an opportunity to look at sustainable transport and also make sure that the viability of

that centre moving forward is going to be maintained. We have been able to increase some terrace housing and some other product in and around that. It has been reported in the *Canberra Times* that the product has been very sought after. Obviously, with all of those studies that are done, it is then brought forward to ACTPLA to look at and comment on and hence why the technical amendment came out for community consultation. ACTPLA have run that particular process and will be taking submissions and so on over the course of the next month.

MR COE: Did the territory plan variation have its genesis in LAPS?

Mr Dawes: No, the technical amendment is conducted by ACTPLA. When Casey was originally designed at the concept stage, it was to house 1,940 dwellings. That was done quite some years ago, well before the new territory plan came into effect. As we have further refined and done more appropriate traffic studies, we have identified that we can actually increase the yields. As I said, in the case of Casey 4, I would be surprised if anyone would argue that we want to have small and standard residential homes around a group centre. I think it is more appropriate for high density to be around there and that we provide that sort of product. That is what we are trying to achieve as we move towards a 50-50 policy down the track. I think it is important that at these early stages we get the planning right.

MR COE: So you advised ACTPLA to make the technical variation?

Mr Dawes: No. Certainly to do with Casey 4, because it is on the land release program, we were, with the LDA, seeking an amendment to increase the yield for Casey 4. But Delfin Lend Lease, in the case of their estate, would approach ACTPLA to adjust their estate, as has the joint venture. The joint venture in this case is led by CIC Australia. They would have taken the carriage of that forward to ACTPLA.

MR COE: So is it core business for LAPS to provide this sort of advice to ACTPLA and to work with ACTPLA in this sort of manner?

Mr Dawes: With regard to the land release program, it is important that we work with ACTPLA. One of the things that we have done since the affordable housing action plan was introduced back in 2007 has been to actually work with ACTPLA to introduce the compact building code and a number of other things as well to improve processes. As we evolve—and it is fair to say that government overall is looking at how we can improve processes to provide more certainty not only to the community but also to future developers and hence why we produced that four-year land supply program—we are now starting to do extensive community consultation. We are being very up-front as well.

As we define and develop new structure plans and concept plans, we will be discussing those as they are being developed to try and ensure that we get that done up-front. As we move forward over the course of the next few years, we will be looking at doing fewer technical amendments because we will have a little bit more refinement and a little more work done. George, you might want to add something.

THE CHAIR: Did you want to add something?

Mr Tomlins: Yes, thanks, Madam Chair. The difference between the roles of LAPS and ACTPLA and between the private sector and ACTPLA is that when ACTPLA put out the planning policy, they specify in policy conceptual terms where the shops should be, where the bus route would be, where the open space should be—not the explicit dimensions—and then it is handed to the developer, be it the Land Development Agency or a private developer, to interpret that and understand what the market needs are and to come back with a design that responds to the planning requirements and to the market needs.

As Mr Dawes has said, the concept plan for Casey was developed many years ago and since that time the affordable housing action plan has been brought out, the government policy of 15 and then 20 per cent affordable housing has been introduced, the compact block code, the OwnPlace product at various demonstrations and LAPS have also contributed for industry awards for affordable housing. So there has been this push to get more affordable housing in place. That has effected a change to some parts of residential design, but it is ACTPLA's role to ensure that the structure, with the bus routes, the open space and the road systems, is maintained.

That is why they require things like transport studies and why they consult with other agencies, such as sport and recreation, who have been concerned about the extent of maintenance that they have had to make to local neighbourhood open space facilities which were used in the 1970s and 1980s. But now that the structure of organisational sport has tended to go to using many more ovals together at a regional facility, because there are fewer volunteers to organise these facilities, they are finding that their neighbourhood sports grounds are not being used and they are turning off the water to them. It would be better to have something that was smaller and better maintained than something larger that could not be maintained.

It is fair to say that the open space system was restructured with Palmerston. When Gungahlin was started, open space was being redesigned. In fact, this process that we are talking about, technical variations, before the latest planning act used to be a defined land process. The changes to the block yield and to the layout by the developers have been occurring under administrations of all political complexions. I can think of three different political complexions that this process has been operating under.

Mr Dawes: I think it comes back to the point that obviously we need to use land efficiently and cost-effectively in moving forward to ensure that our community is sustainable for the long term.

MR COE: I am sorry, but I am just a little bit confused. Is LAPS charged with the responsibility of advising ACTPLA on territory plan variations and technical variations?

Mr Dawes: We will provide information on the technical amendment and we will make a comment on the technical amendment, as will other agencies or the private sector. The technical amendments are run by ACTPLA. That is their responsibility, and that is where it ends. We will be providing that and we will be consulted, the same as other agencies and departments.

MR COE: So with regard to this technical amendment, when did you give that advice to ACTPLA?

Mr Dawes: This has been discussed for some time, because, as I said, it has been printed in the land release program. Obviously ACTPLA like to consolidate these technical amendments. That is question that you need to ask of ACTPLA as well, but obviously—

MR COE: The question is when you advised ACTPLA.

Mr Stanhope: When did you first become involved in the process?

Mr Dawes: In Casey 4, we became first involved in that at the beginning of the year, as we were setting the land release program for it to be launched in June.

Mr Stanhope: The beginning of this year.

MR COE: Casey is not the only suburb affected by this technical amendment.

Mr Dawes: No. I am saying that we were involved with Casey back at the beginning of the year.

MR COE: Yes, and with regard to the rest of the amendment?

Mr Dawes: With Crace, that would be between the joint venture and ACTPLA.

MR COE: So you have provided no advice whatsoever to ACTPLA with regard to Crace and how it is represented in this technical variation?

Mr Tomlins: We have regular monthly coordination meetings that involve a range of agencies. Territory and Municipal Services, the Land Development Agency and Treasury would be involved with us in talking through the land program. There could be a problem to do with the environment, with trees, with open space, with bus routes, and those issues are resolved as they are raised.

If an agency has a difficulty, it brings the issue to these monthly meetings and we work through them. Sometimes they are resolved quickly; sometimes it might take a number of meetings to be resolved. There have been discussions as Crace 2 has gone through the land release program. Some of the discussions with Crace might have just been, from our purpose, trying to get an understanding of what the block yield was likely to be so that we can factor that into our more comprehensive targets that the Chief Minister mentioned of making sure that we are going to achieve the 5,000 et cetera.

MR COE: So it is likely you have given advice regarding the technical variation as it affects Crace?

Mr Tomlins: And no doubt ACTPLA has given us advice as well.

MR COE: Why would ACTPLA give you advice about a technical variation?

Mr Tomlins: If we had found out that the joint venture partner wanted to increase the number of blocks, we would seek advice from ACTPLA as to whether they were disposed to support that or not, because we need to achieve our targets of block release.

MR COE: Right. So did ACTPLA come to you and say, “It’s our view that we should rescope these playing fields and we should rescope these particular residential areas”?

Mr Tomlins: Of course, I am not involved in all of the meetings. All I can say is that these issues were no doubt discussed at a range of meetings and the initiative in the first instance probably came from the developer.

MR COE: It probably did? Did it or did it not?

Mr Tomlins: We could go back and confirm that. We have a number of meetings every month and certainly people do not have all the minutes of the meetings at their fingertips. We could confirm where the first initiative came from, but I would be very surprised if it did not come from the joint venture partners.

MR COE: Mr Dawes, at the beginning of your comments, you said that with regard to the *Canberra Times* article a number of questions were put and that you fielded them.

Mr Dawes: I am more than happy to supply you with those questions that John Thistleton asked us and my responses to each and every one of those questions.

MR COE: Yes.

Mr Stanhope: Which was a response that was prepared in consultation with ACTPLA.

MR COE: So are you saying that you were providing answers on behalf of ACTPLA?

Mr Dawes: No, what I said was that we coordinated the answers between LAPS, ACTPLA and the LDA. We consolidated them into one. The questions came through, we received the questions, and then we distributed those out to the appropriate areas to answer the questions. I am more than happy to table those answers.

MS LE COUTEUR: That would be very useful.

Mr Tomlins: It is worth while saying that ACTPLA informed us which ones they wanted to answer and which ones they thought we should answer, and we agreed with that.

Mr Dawes: They answered the question on the technical amendment and there was one other question that they answered as well.

MR COE: Can I ask why, in the annual report, there is, as far as I can see, next to no reference whatsoever to variations or technical amendments or how you work with ACTPLA? It seems to be quite devoid of that actually.

Mr Tomlins: There is, I think, a reference to some of the committees. That would canvass the fact that we work with a range of agencies. We do not only work with ACTPLA but we have to work closely with Territory and Municipal Services, Environment, Climate Change, Energy and Water, Treasury, Chief Minister's, and we meet with them. It does talk about the meetings that we have in terms of our committee structure but we also have a range of interagency meetings as well.

MR COE: But it would seem to me, from the way that this hearing has gone so far, the last half an hour, LAPS and ACTPLA seem to be working very closely; yet this annual report does not really seem to point to that at all.

Mr Dawes: As I said earlier, there is collaboration. We need, obviously, to work with ACTPLA to ensure that our land release program is delivered. So there is a lot of discussion and dialogue. I think Mr Tomlins has pointed out that we have a number of committees across government. What we ensure that we do have is all the relevant players—that is, from environment, from heritage, from education; all of these people have a key role in the estate development process—to ensure that, one, we are providing the appropriate advice in establishing these new suburbs.

MR COE: It would seem to me, from the way that the discussion has gone so far today, that LAPS is taking a very keen interest in what happens at ACTPLA and is very much involved with the dealings at ACTPLA; yet this annual report does not seem to highlight how you do liaise with them and how you do communicate with them on a daily basis or on a decision-by-decision basis.

Mr Dawes: We do not get involved in the decisions. They have a statutory function. We do not get involved in those decisions in any way, shape or form.

MR COE: But you provide advice?

Mr Dawes: We will provide a broad range of advice but they are actually conducted in committees as well, where we have that work that is done up-front, which we facilitate, as I said. At the end of the day, we will commission studies. It is important to understand we certainly do set the land release program but, in setting the land release program, that is actually agreed across government.

If you look at the groups that are involved there, that involves certainly ACTPLA. It certainly involves TAMS because of the municipal functions that they are going to carry out, because obviously they are responsible for buses and transport and so on. So we actually make sure that there is a fair bit of, as I said, collaboration right across government so that we do not end up with major spends.

The whole thing—as I said earlier, producing a four-year land release program—will provide certainty to the industry and community. When you look at what has occurred over the last couple of years, and especially after the last 12 months, the ramp-up of the land release program is certainly ensuring that the ACT has been consistently

number two in Australia as far as economic activity is concerned. I think that is very important, and that is something that the industry has been lobbying government for for a number of years, to provide that sort of certainty.

If you look at the number of building starts over the last 12 months, they are certainly starting to accelerate. We saw 4,500 starts. We have not seen that many starts probably since the 1990s. So I think that is very important. Obviously, there is a time lag when land is released, to build it up, to get it developed and into the marketplace.

MR COE: And you made that argument to ACTPLA with regard to this technical amendment?

Mr Dawes: No. I do not think you can connect the two at all.

MR COE: I think you can, given that witnesses today did speak about the need for increased density at the Crace shops, for increased density elsewhere and for other changes. It seems to me that you are, obviously, quite across this technical amendment. Did LAPS give this advice or not?

Mr Dawes: In the case of Casey 4, I have already said that we provided advice and input, along with a whole lot of other departments that are involved in the land release program. We facilitate that. In the case of Delfin Lend Lease, that is a question you would have to ask Delfin Lend Lease. We were aware of what was happening and, in the case of the joint venture, I think I have explained that obviously they have done their feasibility. That would be advised, and we certainly would not have an objection if, for example, that can be accommodated within that precinct.

Mr Tomlins: The key point is that, since the inception of the territory plan, it has always been amended to take into account the proposals of the developer for an estate. So right throughout Gungahlin and in these instances, it has been the design, the estate design, the estate proposals of either the government developer or the private englobo developer that were eventually put into the territory plan through either the previous defined land process or now a technical variation. So this is no different from what has been happening for quite some time.

THE CHAIR: Thank you, Mr Tomlins. We are going to move on to another topic now. Talking about sustainability, which you mentioned, Mr Dawes, quite substantially in your remarks, I notice on page 5 that the ACT Property Group, as part of the department, has been working to increase the green power used by government agencies. We have got to 32 per cent, which is exceeding the target of 30 per cent, which is very pleasing. Can you tell me how you have been able to achieve that? It is on page 5 of your annual report. Can you tell me how you have managed to be able to achieve this above-target increase in the number of agencies using green power?

Mr Dawes: I will defer to Mr Ryan, who is the director of the Property Group, to fill you in on those details.

Mr Ryan: The ACT government has a contract with ActewAGL to deliver power for all its own buildings. It is a single contract that covers all electricity. That contract has a green element, and within that green element there are two parts. One is buying

green power. There are all sorts of different definitions of green power but, for rough purposes, we will call it green power. The other is a thing called EDL, and it is the power that is generated through the methane gas at the tip.

We had a three-year contract with ActewAGL, which was due to expire in September this year. Towards the end of last year, Actew, because we had not actually finalised a new contract, required us to, what they call, upfront decide on how much power we wanted to purchase. So we had to calculate what we anticipated would be the amount of energy that we would be, as a territory, buying over the remainder of the financial year and then to purchase the green power.

We were able to use less power than we thought but we had already agreed to a fixed amount of green power. So, as a result, instead of achieving 30 per cent, we achieved 32 per cent.

THE CHAIR: Thank you very much. Ms Le Couteur.

MS LE COUTEUR: First, I would like to make a comment. It is really hard to read these all in black. Your pie charts probably look great in colour. These are on pages 15 and 14. There are quite a few of them. I know they are representing chocolate bikkies really but it is just a little hard. Maybe we could go for crosshatching but I had some more serious lines of questioning than that.

Mr Dawes: Can I say that I was trying to economise. I will take that on board.

MS LE COUTEUR: I appreciate that but, if we went for crosshatching or something, that would be good. You have got the numbers on at least. That is really good. It is not the major point of my question, which is going to be on housing affordability.

My first question—I suppose it is one of the major points—is the housing affordability action plan seems to concentrate largely on people on the median income but around half of us will be below the median income. How are you addressing that or are you basically saying that, if you are below median income, then you are really going to have to live in public housing or community housing, because it is all focused on the median?

Mr Stanhope: Thank you, Ms Le Couteur. I think the point you raise really has to be explained in the context of the approach adopted in relation to the full suite of housing programs that we are seeking to pursue through the affordable housing action plan. The affordable housing action plan seeks quite explicitly to deal with the different income levels and the different capacity of different tranches or percentiles within the community to access housing but it is not right or fair to suggest that we are ignoring income groups. We are not.

We are seeking to respond through public housing, through the quite massive investment in social housing being pursued by CHC Affordable Housing and other partners in relation to the social housing sector and by other schemes such as OwnPlace, land rent and our 20 per cent mandated house and land affordable package requirements. Added to that, of course, there are a suite of other measures that are being pursued, including by Housing ACT in relation to shared equity. We are

pursuing a range of other opportunities and possibilities through the affordable housing action plan.

If you look at the plan as a whole, there are 60-plus issues that we have sought to introduce and to pursue, and we have made incredibly good progress in implementing those 64, I think, separate actions. You will see that we have sought to address the needs of every identifiable group across that spectrum of people that are having or have had difficulty in accessing housing.

I think Mr Tomlins may be best situated within the department to respond around how we have sought to address the needs of those separately identifiable income groupings but we are making a massive effort in relation to affordable housing. We are doing everything that we can think to do to meet the housing needs of all Canberrans. It is a tough job. It is a tough ask. I think we have made outstanding progress in the ACT.

In fact, could I say, without arrogance or hubris, I am prepared to rank the ACT's achievements in relation to affordable housing against any other jurisdiction in Australia, without hesitation, in terms of effort, energy and outcome achieved. But I do not deny for one minute that there is still enormous stress, and some of the issues we have spent the first part of this hearing discussing—yield and density—are at the heart of affordability.

The fact that we can achieve an additional 600 units of housing in Crace is directly related to housing affordability. Similarly, 500 units of high-density housing around the Casey group centre is directly related to affordable housing and our capacity to meet the housing needs of first homebuyers, young families and people who struggle to access affordable housing.

MS LE COUTEUR: You said—

Mr Stanhope: Sorry, Ms Le Couteur. I will stop there, if you have a follow-up question but I will defer to Mr Tomlins.

MS LE COUTEUR: You said that there are a range of programs, and certainly there are, which are targeting different groups. Would you be able to provide advice to us, probably on notice, with the different programs, what income group they are actually targeted to? I am trying to get an idea of whether we have programs which actually cover all income groups or at least all below-median income groups, because above-median they probably do not need to be covered.

Mr Stanhope: I believe we do, and we can do that.

MS LE COUTEUR: If you could provide that advice, that would be very useful.

Mr Tomlins: We have actually got a graph that shows the program and the band of income groups that they are targeting, so we can provide that to you. For example, Community Housing Canberra starts with a bit of overlap where Housing ACT stops. It then provides housing for rent with commonwealth rental assistance at 75 per cent of market rates up to about the \$80,000 bracket. There is land rent that also allows people to move into the housing market for about the same price as they would pay to

actually rent the house. They can buy using land rent. There are some of the shared equity initiatives—there is the OwnPlace initiative—so we can go through those and show you the band. There are different products, as you have alluded to, Ms Le Couteur, for different incomes.

MS LE COUTEUR: In response to questions on notice, the government basically said that an average family on median incomes would be able to afford a median priced three to four-bedroom home. Correct me if I am wrong, but, presumably, that means two people in an average family each earning a median income. What is the situation for a single income or single parent family? What have you got in terms of affordable housing for them?

Mr Tomlins: They would obviously not be able to buy the same house, but they would be able to approach Community Housing Canberra. They would be able to look at land rent, and we can give you some information as to how people with a single income would be able to use the land rent product and the range of housing that they could buy. We will provide that.

Mr Dawes: I think just recently we sold in the order of about 80 blocks to Community Housing Canberra under the land rent scheme so that they can provide some homes. That is a start. We have a memorandum of understanding with Community Housing Canberra to provide 120 buildings per annum, but they are exceeding that at the present time with the number of the developments they are having. We are actually looking at some of the product mix for Community Housing Canberra so that they can actually provide that to different house formations.

Mr Stanhope: Just in relation to Community Housing Canberra, we have focused significant resourcing. We have provided a \$50 million line of credit. We have also provided them with 130 houses up-front as a capital injection. We are providing significant support there.

They have responded as they got their processes together. There was a lead-in time for them, but CHC Affordable Housing is producing outstanding results now. They have just about completed a 104-unit development on Flemington Road. The last time that I was speaking with Ross Barrett he informed me that that was the single largest social housing development anywhere in Australia apart from their next development—150 units in Bruce, which is now the single largest social housing development in Australia.

CHC Affordable Housing have produced 104 units on Flemington Road, 150 units are just underway in Bruce. We have provided them with a target of 1,000 units, which they will exceed. We have just begun a conversation with CHC around their capacity to accept or adopt a new target in relation to social housing. Our expectation is that, over time, they will provide 50 per cent of their product for sale at affordable rates, and they will rent 50 per cent of the product. At this stage, they are renting their housing at 75 per cent of the market rate. As Mr Tomlins has been explaining, we have taken that into account as we have sought to deal with the housing needs of all income groups.

It is important to understand the level of activity that is being pursued now by CHC

and by other partners. There are 500 or thereabouts units of housing being delivered through Housing ACT and social housing providers under the commonwealth stimulus package. In this two-year period, just through the stimulus, an additional 500 units of social and public housing are being provided in the ACT over and above the incrementally increasing output of CHC and the LDA through OwnPlace. There are now over 400 exchanged contracts in relation to the land rent scheme. It is an outstanding record of achievement by this government and this community in relation to an affordable housing product.

MS LE COUTEUR: I assume the CHC housing is included in the 20 per cent of affordable housing for a new estate if it is in a new estate.

Mr Tomlins: Yes and no.

Ms LE COUTEUR: I thought that was an easy one.

Mr Tomlins: They are required to provide housing under the \$328,000 mark, and that is counted. But they can develop some housing which is above that.

MS LE COUTEUR: I thought they were all in that price range.

Mr Tomlins: The idea is that they operate as a developer of housing in a range and that they can sell some to reinvest in the business and grow the business. They have to provide at least 1,000, and the aim is that they will keep 500. At the moment, they have built 200. They have got 365 underway, so they are over half way there in four years, even given the fairly difficult start up, so they are going well. But not all of those would be counted as affordable housing, only the ones that meet the criteria.

MS LE COUTEUR: You said they have got a certain amount to start with and they can sell them. What happens to the residents when CHC decides they want to sell if they are not in a position to sell or they choose not to sell?

Mr Stanhope: In the 130 houses—

MS LE COUTEUR: Yes, or whichever development, when CHC says, “Okay, it’s time to move on.”

Mr Tomlins: The vast majority are sold when they are developed, so they are sold unoccupied.

MS LE COUTEUR: But some of them are rented?

Mr Tomlins: There is another issue, and that is that the 130-odd that the Chief Minister mentioned were allocated to CHC had tenants in them. The agreement there was that those houses would be capable of being redeveloped. One of the difficulties that all housing agencies around the country have is that, as their stock ages, they need to find a way to turn it over. Some of the housing that was provided to CHC was of a state where it should be turned over. CHC have, essentially, achieved that with some, but there are others where they have been unable to come, as I understand it, to arrangements with the tenants.

They do work to manage the tenants, and if they cannot manage the tenants, we have commenced discussions with Housing ACT to see if there are alternative arrangements that will meet the needs of CHC—which are important in order to continue to increase the housing stock—and, of course, respect the needs of the tenants.

MS LE COUTEUR: Can I just check what the government considers an affordable rent? Is that 75 per cent of the market rent, or does it relate in any way to the person's income?

Mr Tomlins: Again, because we are talking about different sectors and different policy initiatives, there are different measures used. The affordable rent definition tends to be related to housing stress—30 per cent of income. Some agencies around the world use 25 per cent, but that relates to transport expenses and a whole different structure of the way households in different places spend their money. But usually 30 per cent of income for the bottom two quintiles—in other words, the bottom 40 per cent of households—is the definition.

Of course, it is not only those 40 per cent of people who can experience stress, and it is not only government housing that provides the means of assistance. So the measure of providing rents at 75 per cent of market rate is another policy measure, but it is not related to income.

MS LE COUTEUR: What happens to people who earn a median income and who cannot afford to buy but they are above the threshold levels for schemes such as OwnPlace and land rent and they are not eligible for public housing? How are they factored into the action plan, because they do exist in increasing numbers?

Mr Tomlins: Yes. The CHC initiative and the land rent initiative essentially work for them and were designed for them. It depends on where the interest rates are, but, generally, you can get into land rent for about the same price as you would go out and rent in the private market. You own the land, but you are paying a land rent component to the government. You pay off your house, and then you can look to see whether you want to pay off the land as a capital payment. So that product is for them. CHC is also for them.

MS LE COUTEUR: And a topic dear to my heart: what projects are the government doing for low income aged people, particularly people who have been able to sustain private tenancy during their working lives, but once they are no longer working are not going to be able to? There are quite a few people in that situation.

Mr Tomlins: That is probably more a question for the Department of Disability, Housing and Community Services. In the affordable housing action plan, we worked closely with them to get them to look at their stock and to reshape their stock to meet the future needs of their tenants. This was a very strong initiative that they have taken to reshape their stock for just those clients.

MS LE COUTEUR: These would be people who are not tenants now but are hoping they will be public housing tenants, because they will not be able to afford to be in

private housing.

Mr Tomlins: When some of the packages of stimulus housing were nearing completion, they went to their tenants and asked people who were in bigger housing on bigger blocks whether they were interested in moving to the new two beddies, and they received over 200 responses, including 43 from people who were not their tenants but who had actually heard about the initiative and were interested to move in. So there is a demand. Again, CHC, land rent and compact blocks are all targeted at that.

The Land Development Authority is looking at some small blocks with high quality design as well to bring those initiatives forward. With land rent, we maintain that that would work very well. I can see that you are not happy with that answer.

MS LE COUTEUR: I am a bit sceptical, knowing some women my age, particularly, who are just not going to be able to do that sort of thing.

Mr Tomlins: I guess there are some people who will only be able to be provided with services through the Housing ACT option if incomes are quite low. But there are a number of initiatives that we are working towards on that. It may be, Chief Minister, that we could provide Ms Le Couteur a briefing.

Mr Stanhope: In relation to ageing?

MS LE COUTEUR: Yes, long-term ageing, particularly the people who are not currently public housing tenants but can see that, once they stop working, the amount of super they have is so little that they have not got many choices.

Mr Tomlins: There is an issue when the baby boomers who are renting hit retirement age. That is something that we have been working on and have been looking at. We do have more work to do, I agree. But there are several initiatives that we are either undertaking now or we are moving on.

THE CHAIR: I have a supplementary question on what Ms Le Couteur has been talking about. I am a little bit confused about the numbers. On page 81 of your report under the economic stimulus plan, the second paragraph talks about the fact that when the department was created, it was integrated into the task force that was going on at the time and that by the end of June 2010 work had commenced on 68 projects. Then it goes on with all these numbers, and I wonder how these numbers that are quoted in that paragraph relate to the numbers that the various officials have been talking about. Are these CHC houses? When it talks about the social housing program, I am not quite sure where they are.

Mr Stanhope: Mr McNulty is the relevant official.

Mr McNulty: These numbers are probably not as clear as they could be, so I apologise for that. The 68 projects refer to the building the education revolution projects, not housing projects. So that explains that small part. In stage 1 of the housing program, 57 dwellings are Housing ACT projects. Under stage 2, the 291, they are a mixture of Housing ACT and some of the supported housing

accommodation and the community housing providers.

MS LE COUTEUR: Can I ask a final question on the action plan?

THE CHAIR: Yes. Sorry, I thought you had finished.

MS LE COUTEUR: Have you considered looking at some of the approaches that are used in New South Wales and Queensland where they are putting utility bills in as part of their consideration of what is an affordable housing cost?

Mr Tomlins: Sorry, they are using—

MS LE COUTEUR: Utility bills. When you are thinking about what a person can afford, they are not saying it is just for rent or just for mortgage. It is that plus the utility bills, because people have to pay their utility bills.

Mr Tomlins: The utility bills are usually factored into the 30 per cent. But I do take the point that Queensland and New South Wales have been looking at definitions that take utility into account. You are right: most people, when they are talking about housing, talk about medium housing price and medium income. But the reality is that families have different numbers of kids, different health needs, different educational needs. The houses that they are living in are of different ages, so the utility bills vary.

There are a large number of parameters to take into account. Housing ACT takes into account the number of kids. We do not have a vast range of definitions. The fact is that when we go out to a developer, if we were essentially to say, “You can have \$328,000 as the limit but if the family has five kids you can sell it for \$340,000,” I suspect we know where the price would be set. That is why we tend to use reasonably blunt instruments, because they serve a range of policy purposes. But we will have a look at the impact of utility bills.

MS LE COUTEUR: Thank you. I am finished on affordability, Madam Chair.

MR COE: I have a few questions about some of the finances. There is a note on page 54, note 23, on the value of total investment properties, and it is \$124 million. I am wondering what those assets are and where they have come from.

Mr Tomlins: I will ask Ian Thomson, the chief finance officer, to answer this question.

Mr Thomson: We have an extensive property portfolio of about 160 properties. A number of them are termed, in accounting terms, investment properties. They deal with the properties where we only have community tenants in them. A lot of these are previously surplus properties and so forth. They transferred to us from TAMS with the establishment of LAPS.

MR COE: So that would explain why the return on that investment is only a couple of million dollars a year?

Mr Thomson: Absolutely. And they are used by community groups, as you well

know.

MR COE: Could you give me an example of what these may include?

Mr Dawes: Hackett; there are a number of community groups there, and a number of the other developments that are around. Stephen Ryan could give you some more examples.

Mr Thomson: Community groups like spinners and weavers, different arts groups—

MR COE: So they transferred across from CMD—

Mr Thomson: TAMS.

Mr Dawes: No, from TAMS.

MR COE: It is part of the Property Group.

Mr Stanhope: This is Property Group, yes. These are all community groups.

Mr Ryan: Yes. The biggest one is Grant Cameron out at Holder, which is a former high school, so it is quite a large facility. We have 40 or so community tenancy groups in that property. It has quite a high value. So I think that, out of the money that is there, Grant Cameron would probably be one of the big ones. But you are looking at Mount Rogers at Spence, the former Hackett primary school, Downer primary school. You are looking at some of the former properties like Narrabundah, Jindalee. So we have quite a range of properties with community tenancy.

MR COE: At the bottom of the note it says that the leases are non-cancellable. I am guessing that is a defined term. What does that mean with respect to the actual arrangement between these community groups and the Property Group? It is the last paragraph on page 54.

Mr Thomson: They just expire at the end of four or five years. They all have different terms. We are unable to cancel them until they expire. Basically, it is providing they keep paying their rent and—

MR COE: That would be the same for most leases, though, wouldn't it?

Mr Thomson: Yes.

MR COE: It does say explicitly that these are non-cancellable. Would it say that elsewhere?

Mr Thomson: That is more about accounting terminology for operating leases.

MR COE: So the Property Group does actually manage those leases? It is not all outsourced to artsACT or something like that and then they actually have the lease?

Mr Ryan: No. ACT Property Group manages all its own properties.

MR COE: On page 45, note No 9, repairs and maintenance is nearly \$35 million. I am wondering what is included in that line item.

Mr Thomson: There are a variety of items. It is all the repairs and minor works that we do ourselves on government owned properties and government tenanted properties. It is the work basically done by the property services guys—education, schools.

Mr Ryan: We have an organisation called Property Projects and Services based out at Fyshwick, at the old Totalcare depot at Fyshwick. There are about 60 staff based out there, about half in the office and half out in the field. They not only look after the ACT Property Group properties but also provide services to all other agencies. So it is not a fixed agreement. Each agency can choose their own arrangements but a number—in particular, Education—use the people at Fyshwick to handle their repairs and maintenance as well. So the cost goes through our books. If we are paying repairs and maintenance costs to a contractor then it appears in our books, notwithstanding that it may be recovered from another agency.

MR COE: So it is quite possible that the majority of that would be recovered?

Mr Thomson: The majority of it is recovered.

Mr Ryan: Yes. We charge rent to all our tenants, whether it is government or community. So if it is our properties, it is recovered through the rent. If we are working for another agency, it is on the basis of charging the agency for the cost of recovery plus our costs.

MR COE: Are you able to provide a breakdown of that repairs and maintenance line item, perhaps with regard to it by agency?

Mr Thomson: I can take that on notice. I do not have it here.

MR COE: Yes, that is fine. On page 71, note 33, could you advise what those two actions are?

Mr Thomson: I will have to provide what the two actions are on notice. I will probably have to remove names.

Mr Ryan: Probably OH&S or compensation claims.

MR COE: So they would be done in-house as opposed to through JACS or—

Mr Thomson: No, these are done through JACS but we show the liability in our accounts. JACS provides this information to us on what the estimate is.

MR COE: Note 18 on page 48: there is trade receivables of nearly \$4.8 million. I was wondering what that would be and whether LAPS actually made any loans.

Mr Thomson: Sorry, on what page?

MR COE: Page 48, note 18. Trade receivables—the top line.

Mr Thomson: That would relate to rent or outstanding repairs and maintenance fees that we have charged other agencies.

MR COE: They would be overdue, wouldn't they, those trade receivables; otherwise they would not come up as—

Mr Thomson: If you go down the page a bit further, you get 60 days and 30 days. So, yes, we do have about \$500,000 in 60 days. A major component of that at this time of year would have been Revolve, which has been in the paper. These numbers have been reduced over the year and are getting lower.

MR COE: So is it quite possible that some of those receivables are actually from government agencies?

Mr Thomson: Yes, absolutely.

MR COE: Would there be any particular reason why a government agency might take more than 60 days to pay their bills?

Mr Thomson: There should not be any reason but—

Mr Ryan: Except from time to time you do get disputes, of course. We would love to be perfect but we are not. With respect to some of the things that we have got on our books, for instance, I have talked about the group that is at Fyshwick. That group was inherited from Totalcare and there are some debts still on our books that go back to Totalcare days, where agencies still dispute whether or not there was a debt in the first place. So part of it is about working your way through that process of determining whether there is sufficient paperwork available to be able to demonstrate the debt.

MR COE: It is quite possible that you could be writing off receivables that were due from another agency?

Mr Ryan: It is conceivable.

Mr Thomson: If the work was disputed and they thought they did not get the service, yes.

Mr Dawes: Over the course of the last few months, we have actually put a fair bit more rigour into the whole business unit to ensure that that is tracked and chased up in a more timely fashion. I am not saying that was not done in the past but it is something that I receive monthly reports on now. Obviously, with my background I like to make sure that money is flowing in consistently as well. There have been a number of initiatives and discussions with the various agencies and the department chief executives to make sure that they pay their accounts in a more timely fashion.

Mr Thomson: In the period to 30 June, we only wrote off one amount and that was to a community tenant.

MR COE: Has LAPS received a briefing from Treasury or have you done any research about how the change of use charge might affect how you operate and the potential liabilities?

Mr Dawes: I cannot see how there would be any liabilities with our property portfolio.

MR COE: So there has been no briefing?

Mr Dawes: Treasury are working through that particular document, I know, as everyone is aware, and we are looking forward to having further dialogue with Treasury in the coming months to look at what is happening with that policy.

MS LE COUTEUR: I would like to ask about contracts, and particularly single select. Pages 134 and 135 show the low values single select. I notice that you have a number of instances where you have the same contracts out—obviously, they are always the same contractor, otherwise they would not be here, in the 20 thousands. Is there a reason why you are doing so many single select contracts in the under \$20,000 and, if you look at the over \$20,000, there are also quite a few? In the under \$20,000, CBRE and David Lancashire seem to be starring. But even in the over \$20,000 there are quite a few single select. Is there any particular reason for that?

Mr Tomlins: If I can go to David Lancashire, the policy is that when the single selects add up to over a certain amount, whether it is \$25,000—

MS LE COUTEUR: The heading says \$20,000.

Mr Tomlins: Okay—they put them in, and a number of small jobs have been given to David, who was a subconsultant to Taylor Cullity Lethlean, and had been doing an amount of work for them on the arboretum. So these represent the continuation of some of his work. It would be fair to say that the consultants Taylor Cullity Lethlean are very impressed with David Lancashire, and so are we. David worked on Tidbinbilla; he has done the new gates and a lot of the signage in Tidbinbilla. That was considered to be of a very high standard, and so was the work that he has done. So we have continued with him because of his background knowledge and experience of the projects. It is clearly value for money because to bring someone else up to the knowledge that is needed for the sort of work that David is doing would cost a lot more than the small contract amounts that have been provided.

MR COE: So he was formerly a subcontractor?

Mr Tomlins: He was formerly a subcontractor to the main consultant; that is right.

MS LE COUTEUR: Is that the reason why they are all—because there are a number that are single select?

Mr Tomlins: Yes. CBRE—

MS LE COUTEUR: CBRE; SMEC are also starring as a single select.

Mr Tomlins: Yes, there are—

MS LE COUTEUR: There is a heap of them. Tract Consultants—

Mr Tomlins: Yes. CBRE won a major consultancy on the government office to do the major assessment of options and developed a very elaborate and innovative spreadsheet system. These represent us asking CBRE to run additional tests and provide additional base using that spreadsheet. In fact, to bring someone else up to speed would probably cost in the order of \$50,000. If we went out, we would get a bid from other people for, say, \$70,000 and from CBRE for \$10,000, until they realised that the next bidder was \$70,000 and then the next bid from CBRE would not come in at \$10,000; it would come in at a slightly higher number. I think this is a very efficient way to do it, as far as CBRE is concerned. I can go through—

MS LE COUTEUR: Why do you always have—not always but most of them—“n/a” for the reason for the select tender? You have got a space; some of them are filled in with reasons but for most of them the reason for single select is “n/a”. It is an interesting discussion but it should be in the table.

Mr McNulty: I believe the answer to that question is the fact that, because of the procurement thresholds, it is not actually like a formal tender process. It is under the threshold for quotes, so they are saying it was not a tender process; it was a quoting process. I think that is what that “n/a” is referring to.

MR COE: It is obviously still reportable.

Mr McNulty: Yes. I believe that is what that is referring to.

MR COE: On that, given that some of these single select procurements totalled obviously more than \$20,000 and they were awarded in the space of a couple months to the same contractor, had they all been grouped together and been one contract to the tune of whatever that is—\$40,000-odd or \$50,000—how would that change how their procurement was made?

Mr Tomlins: They vary. I suppose there are a couple on central Canberra that Mr McNulty might want to comment on but, as I said with CBRE, we have had them win a contract and we are using them to provide additional tests which may have been raised by another agency. So we have done the work. We went out. We said, “We have investigated these five options. We have done these various risk assessments. We have done these robust tests.” Someone else has said, “Could you run it with the maintenance costs double? We think the interest rate that you are using should not be four, seven and 10 per cent; it should be three and 11 per cent or something like that.” So to resolve the argument, we go back to them and get them to run some additional costs because it is the most efficient way.

MR COE: The real question is about the threshold. Is there a threshold of \$20,000 with regard to delegations? So if it is over \$20,000, do you have to get more quotes? Do you have to list it for a certain amount of time on the contract website?

Mr Tomlins: Yes, there is a more elaborate process for over \$20,000 but in that case—

MR COE: If they were all grouped together, these contracts that were single select, the process would have been much more vigorous?

Mr Tomlins: The—

MR COE: Presumably with any contract then, you could break it down into a lump sum of \$20,000 and just keep on going down that path.

Mr Tomlins: Yes, that is right. We have not done that. If you look at some of the larger contracts, they relate to different bits of work. For the cement work, one part of it is for a cost-benefit analysis and another part is for a traffic management study. So while it is the same organisation and while some of the CBRE studies are the same organisation, they have different skills.

MR COE: It is mainly table B on page 134 that I am looking at. The ones under \$20,000 collectively add up to a considerable amount more than \$20,000; yet they all seem to be fairly similar and you would think in other instances they might all be grouped into one contract.

Mr Tomlins: With the CBRE, I think I have attempted to explain, except that there is a slight difference. They do provide the professional modelling advice. They also are valuers and so there are slightly different services there. Those are related to a bigger project that they had won previously. It would have been possible, I suppose, to put the David Lancashire work together and—

MR COE: Presumably those five jobs all had to be done pretty much by the same person to keep the same style guide and to keep the same corporate branding. Therefore, would it not be usual practice to group those five contracts together in one \$50,000 contract as opposed to having five single select contracts at under \$20,000 each?

Mr Tomlins: Except that they do relate to different projects and some of the decisions would have—while they are fairly close in terms of issuing the contract—related to different types of projects. And some of them may have come from work recommended by the consultant. Some of them may have been requests from the arboretum board. The tree booklet design was probably created by the fact that there was an open day and that came out of discussions with the friends. While the timing is the same, the genesis is often from quite different sectors.

Again, they are quite small amounts and the decision making is related to getting efficient work done quickly. I would argue they are separate decisions. The fact that they have gone to the same person, where a couple of them relate to design issues, is understandable but I would also argue that the time and process that you add by going through getting a tender process, advertising, getting people in to evaluate it and all that sort of thing is at least \$5,000. By making the decision and saving \$5,000, even if it is out by 10 per cent, is still the most effective value for money approach that we have got.

MR COE: Possibly but the government's financial arrangements are in place for

a reason and surely that process is deemed to be appropriate, given the threshold.

Mr Tomlins: Yes, and we have complied with it. We are able to use single select, particularly under \$20,000 and particularly if we meet the criteria.

MR COE: The number of single select tenders in table A is absolutely extraordinary, I think. It is absolutely amazing how many there are. It seems to me that the majority, if not the vast majority, are select tenders and they are going up to huge amounts. We have got—

Mr Tomlins: Select tenders are not single select. Select tenders mean we go to three and we go—

MR COE: Even still, it is not open tender.

Mr Tomlins: No, but again it does comply with the procurement thresholds, I am informed, and it does allow us to streamline the process and the achievement of expenditure. The meeting of targets is also an important consideration; so it is a question of balance.

MR COE: So a select tender requires three quotes?

Mr Tomlins: Yes.

MS LE COUTEUR: On page 88, you are talking about working closely with DECCEW to ensure the ACT government office building supports the ACT's climate change strategy. Who actually has responsibility? Is LAPS coordinating the strategy to reduce office building energy use or is it DECCEW?

Mr McNulty: LAPS does for the office buildings that it owns, and for the office buildings that we lease we negotiate with landlords when leases are renewed for improvements in the environmental—

MS LE COUTEUR: So you guys, not DECCEW?

Mr Tomlins: Yes, but —

MS LE COUTEUR: The supplementary would be what you are actually doing, but I realise that could take a bit longer.

Mr Tomlins: DECCEW have a policy role—I do not fully understand precisely what they are doing—that is overarching. They are very interested and have spoken to us a number of times and have grilled us about what we are doing, for example, on the government office building and on our other projects. So we are operational but they have policy.

THE CHAIR: Thank you very much. We will go to morning tea now and we will come back at 11.30 for the LDA. I would like to thank Mr Dawes, Mr Tomlins, Mr McNulty, Mr Thomson and Mr Ryan for their assistance this morning.

Meeting adjourned from 11.10 to 11.32 am.

THE CHAIR: I welcome the LDA witnesses to the table. Chief Minister, do you have any remarks you want to make to introduce this session?

Mr Stanhope: No, I have no specific remarks I wish to make.

THE CHAIR: Welcome back, Chief Minister and Mr Dawes. I will throw it over to my committee members.

MS LE COUTEUR: You allude on page 8 to the opening dialogue with the community on the redevelopment of old Canberra brickworks and the corporate group centre. You state that both are of strategic importance for the long-term development of Canberra. I have to agree with your comments about strategic importance. Can you tell us more about the community consultation, particularly in relation to Hawker, which seems somewhat problematic?

Mr Stanhope: Thank you, Ms Le Couteur. Both Mr Dawes and Mr Robertson have been very closely involved with both of these issues. I think that perhaps they each have something to contribute to your question. I will ask Mr Robertson to actually begin that response.

Mr Robertson: Thank you, Chief Minister. In relation to Hawker, I think members of the committee will recall that during 2008-09 the release of a car park in Hawker was on the land release program. In response to comments we received by, I think, quite a number of members of the Assembly, the Assembly and the government decided at that point that that block would not be released pending community consultations.

Since that time we have had quite a range of community consultations. We have prepared some planning studies. We have undertaken some traffic investigations and other works in that precinct. We have had a series of different community engagement sessions, including meetings with the local business community in the church out at Hawker. We have had a couple of sessions there at the church. We have also had an open air forum in the community itself.

There have been a number of surveys that have been conducted and some other community consultations. Where we are up to at the moment with it is that there is a consultation report that has been prepared which addresses a lot of the issues that people have been raising in relation to Hawker. That is available on the LDA's website at the moment. We are considering where we go now in terms of recommendations to government for action from here on.

There had been a range of comments that had been received from the community. There have been concerns which members would be aware of in relation to parking impacts there. The actual proposal that has been discussed with the community would effectively have no net impact on parking. Any new development would have to provide parking in accordance with the territory planning requirements for the new uses that might be on site. There is a reasonably extensive redesign and redevelopment of the car park in the shopping precinct which is being discussed with the community.

There are also issues that were raised in relation to the interface with Belconnen Way with a proposal for a new road to go into Belconnen Way. It is a slip road off Belconnen Way. There have been some concerns raised about that which we are examining at the moment. There are also concerns raised in relation to whether or not some of the arrangements would be safe for more elderly citizens and also mothers with prams and things.

We have been addressing those with the work that we are doing as well. That particular issue we are looking at by having effectively some restricted parking which would be for seniors and also for mothers with prams. As you see in a lot of the shopping centres, we have reserved areas for mothers and fathers with prams. So we have been addressing that. Particularly in relation to parking, we were looking at putting that location near the IGA supermarket that is there.

We have been over quite a period now—probably 18 months—engaging with the community. But I would not want to suggest that we are just getting concerns about it. There has been quite a bit of support also for redevelopment in that precinct. The details are actually up on our website—the consultation report that was prepared by Purdon Associates.

MS LE COUTEUR: So when do you think it will be finalised?

Mr Dawes: Once we finalise the recommendations we will take those to government. We will then also engage back with the community to give them a summary of what the comments were both before and after. We will engage with the community.

I think that one thing we have all learnt from this exercise is to engage the community much earlier than we have in the past. This is why a lot of our community consultation now is been aimed at delivering it up-front. As you are aware, Ms Le Couteur, we have bumped into each other at a number of community forums over the last few months; so we are really engaging and I think actually it has been a very good exercise.

In future we will not be putting a for-sale sign—I think we have stated this quite publicly in the past—on a car park and then start consultation. But I think some things have been achieved and some things have been learnt. I have spent personally a lot of time there with the traders and have been looking at how the operations of the group centre operate as well.

I think that some of the work that is now being done and the information that has come back we will present to the community. Hopefully, there will be some agreement that we can get underway and start the job. We are looking at some other initiative there as well.

MS LE COUTEUR: There is a possibility that there will be change from what is currently being consulted on under the plan?

Mr Robertson: From the LDA's perspective, we are certainly looking at the issues that have been raised. I mentioned the parents with prams issue. Where there are

genuine concerns that need to be addressed, we have been addressing those. I think there will probably be a proposal that I anticipate the LDA will be taking to government that would have a lot of the elements of what has been discussed. Certainly, a lot of the issues that raised concern will be addressed so that they are not continuing sources of concern to the community.

MR COE: So when can we expect to hear more about the progress?

Mr Robertson: We are in November now. I anticipate that it would be probably early in the new year that we will be going to the government.

Mr Stanhope: This is with Hawker?

Mr Robertson: Yes.

MS LE COUTEUR: And Yarralumla I also asked about as well. It is one of the trickier consultations. I know that one of the statements on your website is about no net cost from the Yarralumla development. I know that is one of the things that has caused a degree of angst, probably to put it mildly, in the Yarralumla community. Can you expand a bit more on the relationship between the funding for any work done at the brickworks and any work done within the concept of no net cost.

Mr Stanhope: I must say—Mr Robertson may correct me if I am wrong—that there are a range of options that have been developed for the purpose of the consultation and the discussion. I believe that that is appropriate. The base option is simply to essentially stabilise and lock up the site at a cost of \$7 million. I think that is the cost of the base option. So option 1 is to spend \$7 million on stabilising the brickworks and securing it with a fence. That would be at a net cost. It would be a cost of \$7 million.

As one then proceeds through each of the options, each presents a different scenario. But the government has not come to this with an approach of whatever the outcome, it must not be at a cost to the government because the first option is a 100 per cent cost to the government, which is \$7 million base option to stabilise it and mothball it. So that is at a cost to the government.

If that is the option that is pursued at the end of the day, the government will bear the entire cost. But I have to say that I think—I will say it bluntly—that would be a dreadful outcome. So I personally do not support that outcome but if that is the outcome, that is the outcome. I think we need to clarify that as one proceeds through the options, one arrives at a position where, when one gets to, say, option 4 and the potential development that would occur, there would be a return the government.

I just make those opening remarks but I think it does need to be understood that four options have been presented. I think each of the options as they proceed are essentially a continuum of opportunity. They are quite appropriate. I believe it was an appropriate way in which to engage the community.

The government has no view on the future of the Yarralumla brickworks at this stage other than a view that it is time that we ensured this irreplaceable heritage asset is

given the respect that it deserves in terms of support and maintenance. I must say that in relation to a heritage asset such as the Yarralumla brickworks, I believe that its future is best secured by active use or active reuse. I believe that quite deeply and personally.

The only way of securing that site—that irreplaceable, invaluable heritage asset, one of the most valuable heritage assets in the whole of the ACT—is to seek to develop a continuing life for it. That is my personal view but the government does not have a view other than an attitude that this is a heritage asset that deserves our attention and we are seeking to give it all of our attention at the moment.

Mr Robertson can give some more explicit detail on the issue that is around. I believe that some members of the community have an inherent opposition to any additional development. They are saying, “Well, this is developer driven; this is driven by the bottom line,” which is nonsense. It is not.

But it is reasonable for the government to look at all of the opportunities that a site such as this presents. Mr Robertson can explain in far more detail the hierarchy of options and where this perception, a mistaken perception, has arisen.

Mr Robertson: The Chief Minister has discussed the first option—probably the lesser of the options—which is to spend \$7 million and lock the gates. The problem with that option, of course, is that the community does not get to enjoy the asset and it continues to degrade over time. Over a number of years, whether it is five or 10 years time, the community will be faced with the same issue about needing to spend millions of dollars to bring it back to a holding pattern.

The LDA has been looking at and we have been pursuing four options. They have been the subject of quite extensive consultations both in the community and also with the project reference group that has a lot of professional associations represented. It has the Yarralumla Residents Association and it has some of the interest groups in the area—the Heart Foundation and the golf club.

A wide cross-section of the community has been involved in those groups and there have been quite a number of meetings, both at the Royal Canberra Golf Club in Yarralumla, and also at the Deakin Soccer Club as well. We have made opportunities for the community to share their views.

Before I go into the details of those, I will just come back to the point that Ms Le Couteur raised at the start. That was about our website where it talks about our exploring options that are effectively cost neutral. As you appreciate, and it is pretty clear in our annual report, the LDA does not receive any appropriation funding. Part of our statutory charter really as a statutory authority is that we act commercially and clearly we act in accordance with government policies as well.

As part of that, we understand that the money we return to the government goes to pay for a range of things—some capital items like roads and hospital upgrades and also for paying wages and salaries and support to the community sector on the operating side. We are very conscious that we have to act commercially, act in consultation with the government about what we are doing. So we have developed a range of options

where for various stages of adaptive reuse those options do not require us or the project if it were to proceed to have a particular call on the ACT budget and therefore compete with the funds that are going to other worthy purposes.

That is not to say that when the options do go forward to the government that the government may not decide to have a bit of a hybrid of some of the options that are on the plate, but I am certainly not going to pre-empt any government consideration.

I would like to comment on some of the concerns that people have had. I had the opportunity to sit in the audience this morning and listen when the Heritage Council was giving evidence and were discussing their annual report. The view that came through from the Heritage Council really was that they think something needs to be done.

My understanding is that it was the mid-1970s when the brickworks really stopped operations. It has had a few bits of not quite adaptive reuse—just using the shell that is there. There is a successful recycled timber business that is operating there. A couple of artists do some things there. In the past there were other people who were using the premises. But if anyone has been out there and had a look, the fabric has been declining.

I know that a few years ago there was money spent by the ACT government on the chimney and a few other things to try and stop further deterioration. Some of the issues of concern to the local community include the potential loss of some of the green space. I note that as we were developing up the options, it was inherent in the initial options that we put to the community that we actually had some things in there like a linear park, which is very similar in scale to Telopea Park and Haig Park in terms of the width and some of those other dimensions.

If you have ever been down Girraween Street and looked back towards what is effectively Dickson on the other side of the park—no, actually it is still Braddon itself there—you struggle to actually see through. There is a really strong green buffer there. There are already some quite significant plantings through that area, but unfortunately a lot of the trees, whether it is the drought or their age, are senescent. In other words, they are dying. They are on their way out.

The options that we are developing contemplate really strengthening effectively a green buffer there, putting in some replanting. I think there were some concerns that what we might be contemplating is something that was completely out of character with the rest of Yarralumla. We have certainly been listening to that and we have been operating within the footprint of the Canberra brickworks and environmental planning study. We are keeping faith with the community on the issues that we have discussed.

Based on the feedback from the community and further, more detailed technical work and other work that we have been doing, we have been refining essentially two options. I think the Chief Minister noted quite early this morning when the Heritage Council were here that they have not yet been presented to him. The LDA board—I am sure the other board members will not mind my noting this—have not yet determined which of the options preferred from the board's point of view. But they take account of a lot of the concerns and issues that have been raised.

I think the one thing that is motivating the LDA staff on this is that we do have a heritage asset which with each passing day is effectively declining. Therefore, the costs of bringing it back to anything while we continue to work increase over time. We have an opportunity there for something that is very special. I do not know whether all of you have had the opportunity to look, but based on all the professional advice that we have had as part of this, it is really the only intact brickworks in the country that is still there.

There have been others that have been adaptively re-used. The people that did the work elsewhere might have a different view, but based on our assessment we think it has been done pretty poorly on some of them. We have an opportunity to do something that will be perhaps of equal significance to some of the other attractions around Canberra if it is done properly.

We have been looking at a range of options, as the community knows, in terms of a mix of housing types in there. Perhaps there might be some opportunity for people in Yarralumla to age in place. Perhaps there might be opportunities—this is one of the things we are exploring—for visiting schoolchildren not just to spend the night in a particular place. As part of their excursion, perhaps they will not just have to hop onto a bus. They can perhaps just walk from their accommodation to this facility. So there is a range of exciting possibilities for the community.

The other issue that you alluded to at the start was this one of where some people in Yarralumla think that it is Yarralumla paying for the development of what is a Canberra asset. Yarralumla is part of the Canberra community and the Canberra community more generally funds a whole lot of things in different parts of town, but this is the issue again.

As I say, it is not a matter for the LDA. It will be a matter for the government once they have been properly briefed by the LDA on the options. In terms of opportunity to brief the Chief Minister, I expect that that will occur at least in relation to the two options we are looking at at the moment sometime over the next couple of weeks, depending on other priorities.

MS LE COUTEUR: I imagine you have not yet any time line for a final decision on that?

Mr Robertson: I think all of us are keen to make sure that this is done properly. As I mentioned, this facility has sat there for 35 years. None of us want it to sit there for another 35, but if we take another few months on getting the options right, I am sure that no-one will object to that.

THE CHAIR: I have a supplementary on that particular initiative. Page 8 mentions Philip Thalís, a principal of Hill Thalís architecture, lead architect on the Canberra brickworks. He recently called for a departure from the monoculture housing to all sorts of different housing, not simply mixed together awkwardly but designed together so that you can have everything from free-standing housing to one-bedroom apartments, if not in the same block, in close proximity to another. Chief Minister, could you tell me what we might be doing to encourage that kind of thinking? Is that

the way the government is thinking?

MR STANHOPE: That was only a comment by the chairman of the LDA in relation to the LDA's expectations around the whole of the city. Mr Robertson might be in a position to actually expand on the chairman's thinking in relation to that, Ms Porter.

Mr Robertson: The chairman was quoting Phil Thalís not in the context of the brickworks but more generally. Mr Thalís is a well-experienced architect. He has been doing some very good work on this in relation to the brickworks project, for example, but he primarily practices in other jurisdictions. He has seen some of the errors that have been occurring where people have their monocultures. I think that you could argue that in some suburbs of Canberra over previous decades we had the same thing, with a whole lot of very similar homes. You can drive along some parts where it is clear that a particular builder has built the whole of a part of a street because they have got the same tiles, they have got the same design and everything else.

What we need to do—I think the LDA has been demonstrating that it is doing this with a range of its projects—is make sure that we have got a range of block sizes, as that leads to a range of housing types as well. We need to offer multi-unit developments and affordable homes. In terms of affordable homes, the OwnPlace program is a very good example of what we have been doing there. We did not go out and just sell land to the markets saying, “Well, you've got to build a house that's \$328,000,” and see what happened in terms of what you might get as a result of that. We actually went out to tender and we ended up settling on a panel of builders for terrace-type homes, some multi-unit developments and also a panel for single residential homes.

We then worked with those builders and architects and others to make sure that we were actually coming up with quality designs and quality products so that they were sustainable homes and that as you drove down a particular street that had some OwnPlace homes and some other homes, it was not one of those situations where you can say, “That looks pretty nasty; that's an OwnPlace home.” So, driving along, to draw on the vernacular, you cannot tell whether they are rich people's homes or poor people's homes; they are affordable homes. There is no stigma with any of these, because they are quality homes.

In relation to the other things that we are doing, we are putting out housing development codes. We have done that in relation to some of the releases in places like Kingston and Molonglo and others. Mr Dawes mentioned earlier some work that the Chief Minister's Department and now LAPS are doing in terms of awards for affordable housing. We have also had involvement with architects for designing particular homes to demonstrate houses that are very sustainable and are quite affordable on compact blocks, and Mr Dawes also referred to the work we have done on increasing through the compact block code.

We are operating at a number of different levels to try and ensure that you do get that mix of housing and you do not have the monocultures. In any particular suburban precinct, you will have small blocks, more generously sized blocks and multi-unit developments, which are a hybrid of terraces or duplexes, which allow that slightly higher density but which are still really single-type blocks.

THE CHAIR: Thank you. Mr Coe.

MR COE: I have got a question about revenue and profit, but before that I have one follow-up on Hawker. My concerns and issues are pretty well documented so I will not get into all those. Before you announce your decision in early January, or whenever it may be, do you anticipate—

Mr Robertson: Sorry, just for clarity, I think I indicated that early in the new year we would be advising the government.

MR COE: Sure, so early in the new year. Other than through the existing content on the website, will you be engaging the community any further between now and then?

Mr Dawes: There is an expectation—I have actually promised—that we would go back to the community and give a full report and a summary to the community. I intend to honour that; I have been quite public about that. We will go back to the community and talk to them about the findings and further discuss how we might be able to move forward.

MR COE: And that is before any decision is made or announced?

Mr Dawes: Before any firm decision is announced, we will go back and engage with the community.

MR COE: When you say “explain the findings”, is that simply to expand on the consultation report prepared by Purdon?

Mr Dawes: That is correct, yes.

MR COE: Right.

Mr Robertson: There are some issues and concerns that have been raised. Often with these things we will have an indication of what the response to those will be, and they will also be reflected in a physical form, and I have mentioned things like parking for parents with prams. A wide range of issues were raised, both positive and negative. Purdon has provided its report and we are now doing our detailed response to that.

MR COE: Sure.

Mr Robertson: Like Mr Dawes, I have also had conversations with a lot of people in Hawker. We have had correspondence that we have been replying to as well. Having learnt the lesson from the for sale sign on the car park earlier last year, as Mr Dawes said, we are not going to put ourselves in that position again.

MR COE: Sure. And now—

THE CHAIR: I have a supplementary, Mr Coe. Sorry to break your train of thought. Mr Dawes mentioned the different ways of going out and consulting now that you are actually undertaking. You mentioned going to different community meetings where

you have bumped into all of us, I would imagine. Could you tell us how that has been received by the community when you go out to these different community meetings? What kind of feedback are you getting about that approach?

Mr Dawes: Perhaps Ms Le Couteur will be able to fill you in.

THE CHAIR: Well, I have been as well, but—

Mr Dawes: I am being flippant, Ms Porter.

THE CHAIR: I have only been able to go to some of them.

Mr Dawes: I think the fact that we have been out there up-front with the community has been very well received. I have been doing a couple of things: one, talking about the new department, what our role is in delivering some capital works programs and developing the land release programs; and, two, talking to them about what blocks are on the land release program. In some instances they are two and three years out, but, ideally, that is what we want to be able to do, so that when do take those blocks to the market, all of that consultation is agreed.

We are all ready developing our next round of consultations about what is going to be sold in 2011-12. The community is aware of that, but we are now actually wanting to define and refine and get some processes in place. We had a number of very successful meetings with the community. A number of issues have been raised, and I have actually given commitments that I would arrange for the appropriate departments with the particular expertise to go back and address those issues and concerns, and we are following that through.

When you look at a number of the engagements that we have been doing, there has been the Islamic school at Weston, the Hu Guo Bao temple, and the Canberra Muslim community mosque. There is a number of sensitive issues and, touch wood, we seem to be able to be meeting the community's expectations. That does not mean that there will be no concerns, but we have to manage those and work with the community to allay any fears and concerns.

Over the course of the last six to nine months, we have actually built up a little more trust within the community, but I think we have still got a long way to go. We will be working on that through the next 12 months and beyond to try and ensure that we do not spoil that trust and relationship that we are starting to develop with the community. I have been going to all of these meetings myself so that I can get a sense and understanding of what the issues might be in the general community.

Overall, it has been a very good exercise from my perspective. I have learnt an awful lot, as we all have over the course of this last couple of years. It is my commitment to ensure that we do consult in an appropriate and responsive manner.

THE CHAIR: Thank you Mr Dawes. Back to you, Mr Coe.

MR COE: I noticed that on page 12 of the annual report it says that the total revenues of the land sales were lower than forecast; however, the land releases were above the

forecast. I think land releases were 4,279, yet the forecast was for 3,014. I was just wondering whether you could go further, other than what is already written there, into why revenue has actually dropped, given those circumstances.

Mr Robertson: I think also on the same page it notes that revenue has increased substantially from the year before, as we saw some of the recovery from some of the impacts of the GFC. The other key number is in the first paragraph over the page on page 13 where it also talks about 30 June 2010, the end of the financial year. We also had \$151.8 million worth of estranged contracts. The LDA does not receive any appropriation funds, as I noted before. Our things do not often neatly fit into a 12-month cycle.

The revenue estimates were made in April last year and some of that was estimates of when things would be released—the timing of settlements. In relation to that, quite a bit of that \$151 million—a proportion of that will be carried forward—has already settled, but when we do release, even if it is settled and we have got basically unconditional sales contracts, our revenue recognition policy is that we do not actually count the revenue until we have got the cash in our hands. Obviously it is done by EFT so we do not get any buckets of cash.

Yes, it was below the estimates we had. Some of that was because of compositional issues and the other was because of delays in settlements. Some of those delays occurred, for example, with some of the industrial blocks in the EpiCentre at Fyshwick. We had exchanged contracts, but they had not sold in the initial time frame. For example, we had an auction in March and some of the blocks did not sell. They were not sold on the day; they were sold subsequently. They would have been included in the estimates. Because the sales contracts have, depending on their nature, 28, 60, 90-day settlement periods, if you miss a few weeks that can mean you slip from one financial year to another. As I noted, if something does not sell at auction but sells over the counter a week or two later, that might be enough to put the settlement either side of 30 June.

MR COE: The operating profit, which is mentioned on page 13, was substantially above the level forecast in the 2009-10 year. How are you out by \$60-odd million, in effect?

Mr Robertson: I do not think we are out by that much.

MR COE: In the forecast.

Mr Robertson: Some of that would have been some of the values we achieved. You would have noted elsewhere in there the accounting treatment. Because the accounting policy, the interpretation of the accounting standards, would involve the joint ventures, we actually ended up with a greater level of joint venture-related profits in 2009-10 than we had forecast. That is part of it.

I think those of you who have had some degree of familiarity with construction activities would be aware of project contingencies. With projects, we estimate what they might cost and we set up a project budget. As we go along, clearly, some of the costs of those early blocks that we sell go towards completing the rest of the

infrastructure in the estate. We attribute it across a lot of the different blocks. We have what is called provision for project completion.

In the course of last year, I think in the order of \$24 million of that increase in profit was basically where we reviewed our provisions for project completion across a number of estates, including Kingston Foreshore and Franklin. The main single residential part of Franklin has a centre for releases and the construction of that was essentially completed during that financial year. There were provisions that we had for works, for contract values that came in when we went out to tender on a lot of that work, and just what we needed to spend. The provision had some extra capacity in there. We review these plans quite regularly. In fact, every year we review that.

Part of the reason too is that when you do your initial project—if you are doing it effectively, on a pro rata from your revenues—as you get towards the end of the projects, as we saw in Kingston Foreshore, some of the land might have been sold for more than would have been estimated five or six years ago when some of those project provisions were being put in place. That means that effectively we did not need the degree of contingency that we had before. So, rather having that provision sit there, we have brought that back to book.

MR COE: In the first part of your answer you referred to accounting principles and accounting rules.

Mr Robertson: Yes.

MR COE: So have the changes that have come into effect over the last year gone across the whole ACT government?

Mr Robertson: No. What I was referring to there was the treatment of the joint venture revenues. As you would be aware, the LDA has three joint ventures—Forde, Crace and Woden Green. As Forde is maturing as a project, because we have now released probably the last of the initial blocks in what was the original part of Forde, with those projects we have had revenue coming in over a time frame. During the year we also added extra land into Forde. We saw Crace starting to settle on properties, so some of the revenues from Crace, our share of them, were starting to come back to the LDA.

MR COE: So it would be your interpretation that other joint ventures across the ACT government would also be similarly affected?

Mr Robertson: I cannot speak for the other joint ventures, but in relation to this accounting issue I note that the treatment that the LDA was following up to this year was one that was endorsed for a number of years by the ACT Audit Office and ACT Treasury. There was consolidation in the previous 12 months on the relevant accounting standard and as a result of that we have relooked at this issue. The Audit Office has relooked at it and we have adopted the method we now adopt.

MR COE: Are you able to provide this information about the change in the standard or the change in the policy?

Mr Robertson: There is some detail that is in the report in one of the notes. Do you want more? I instantly cannot remember the note.

MR COE: That is all right. I will have a look at that particular note and get back to you if there is some more information that I would like.

Mr Robertson: Just for clarification for the committee, it does not actually impact on the amount of dividends or profit that the joint venture will make over the life of the project. It is just the timing of when those profits should be recognised and therefore brought to account. In our case, because we operate on a 100 per cent dividend policy, when there are increases in relation to the joint venture activities, those amounts wash straight through to our profits and therefore to our dividend to the government—the dividend and tax.

MR COE: As to the tax and dividend implications, does that mean that, in effect, the figures referred to there—the \$35.1 million and the \$77.4 million—would have been paid perhaps the next financial year or the financial year, that they have been coming forward—

Mr Robertson: Part of the adjustment was that we might have recognised some in the year before. Over the life of the project, this does not change it. It does not change the amount of profit we will make; it just impacts on the timing as to when we recognise it.

MR COE: That is only as far as the change in the profit that was brought about by the joint venture, not the other components?

Mr Robertson: Yes. That is a component of that increase. As I said, a very substantial part of the increase was also this issue about our project reviews and adjusting the provisions for project completion, and that is quite standard practice.

MR COE: Did ACT Treasury receive a fair bit more from the LDA than expected?

Mr Robertson: They received exactly what we were required to pay them given where our financial results ended up, so there was an increase.

MR COE: Yes, on what was forecast, what was estimated.

Mr Robertson: Originally, yes. Every dollar increase in our outcome above the estimate increases the amount of money that goes to Treasury and therefore has that impact you are talking about.

MR COE: Sure.

THE CHAIR: Ms Le Couteur?

MS LE COUTEUR: What is the LDA's role in meeting the government's targets of 50 per cent development to be infill and 50 per cent to be green fill? Do you have a role in this?

Mr Robertson: We are effectively the government's delivery arm. The government publishes its land release program. It is very plain to us, as employees of the ACT government, that we are here to help deliver ACT government policy, particularly, as we have discussed with the predecessors of this committee, around sustainability, affordability and the infill issues as well. The work that is done upstream of the LDA effectively gives an indication of land releases that are expected for particular parcels of land and then we look at how that goes. Along the way we do traffic studies. We make sure that there is infrastructure capacity for the work that we need to do and as a result we get the yield that is available out of a particular parcel of land.

MS LE COUTEUR: I guess where I am getting at more is the infill part of it. Basically, we have been talking about largely green fill development and we are not achieving the 50-50. How is the LDA going to contribute to all of the infill part of the goal?

Mr Robertson: Over the last couple of years—if you actually look at the government's land release program and what we have also released over that period—a very large proportion of what the LDA has been releasing is actually infill. When we release sites in various locations within Canberra—and over the last couple of years I can think of sites that were released in the inner south, sites that have been released in and around the city and sites at Bruce, which were the subject of discussion earlier today.

There is a CHC block that was mentioned earlier today, but there are also some other blocks we have taken out to auction in Bruce. Kingston Foreshore is a classic infill location. It is a ground fill, but it is obviously an infill location. Flemington Road itself—I can think of the things that we are doing there—has long since been on the urban fringe. It is between Mitchell and the Gungahlin town centre. It has got suburbs built on both sides.

In terms of those government policy objectives, I would argue that over recent years, both on our own initiative, in terms of some of the things we are doing through the detail of our land release but predominantly motivated by the government's land release program, as Mr Dawes has mentioned earlier, we and a number of other departments contribute to them.

MS LE COUTEUR: I have got another question not directly related.

THE CHAIR: Just going back to housing affordability, I noticed on page 11 of the report it pleasingly mentions the Property Council of Australia's 2010 award for innovation and excellence for government leadership in that area—it is the second paragraph from the bottom—which is terrific. It also mentions that 464 LDA blocks were involved in the land rent scheme, an increase of 342 over the year, and that there is a further take-up expected, and it mentions a couple of suburbs. Where do you expect the land rent scheme is going to be rolled out to in future?

Mr Robertson: In relation to the LDA, the way the land rent scheme is structured—and I think it is to protect everyone that is involved with it—is that land rent is available in LDA estates and land releases by the LDA. The number of blocks that were there at 30 June has increased by nearly 100 in the last four months. We are now

at about 540 blocks that are in the land rent scheme in one fashion or another.

The Chief Minister mentioned earlier that there are over 400 which are subject to exchange. We have had about 100 where the contracts have been settled. We think that is really meeting that niche in the government's affordability project. The suburbs where they are at the moment include Franklin, because Franklin was still going when the land rent scheme was started. A significant proportion of them are in Bonner, because that is the main LDA estate we have been developing over that time with the single residential blocks. There is also a proportion in Wright. I do not have the figure instantly to hand but it is in the order of 70 per cent of the blocks that were balloted in suburbs like Wright as well. It has been a very popular part of our land releases over the last 18 months or so.

Those are the three suburbs at the moment. Over the course of the next 12 months, or for the rest of the financial year, we are also scheduled to commence and complete release in Harrison 4, with, in round numbers, 400 sites there. I expect there will be quite a proportion of dwellings there, albeit on land rent blocks. There will be further releases in Bonner and then over time, as we start to release land in suburbs like Lawson and Coombs—as we roll out through the land release program and all those ones where the LDA is delivering the blocks—land rent will be a feature in all of those areas.

THE CHAIR: It is obvious that it is meeting a demand out there in the market.

Mr Robertson: It is clearly meeting a demand and achieving the government's policy objectives, which the Assembly supported when it adopted the land rent legislation. It had a bit of a quiet start but it is roaring ahead at the moment, I think, on any fair analysis.

Mr Dawes: Quite often the lag time is because of the nature of the way we have been selling the land at this point in time with the plan but, as we catch up, those time frames will close. As Mr Robertson pointed out, there are just over a hundred settled and we are seeing another wave that will come through for settlement.

We are working quite closely with CPS Credit Union who are providing the finance for that product, which has been very good. They have also, I think we have mentioned before, had mortgage insurance available to clients as well; so it will allow additional people to access the land rent scheme over and above what we were able to do when it was first launched. That is another great positive.

We have had some inquiry from one of the other major banks which is now looking at re-entering that market; so that will provide some competition as well. I would not think that would occur until next year, the new entry for another financier.

THE CHAIR: If you go to page 238, you will find, very positively, half the page is full of a list of individual sustainability actions at various sites around Canberra and so on. I am obviously very pleased about that but my overarching question, given we have not got a lot of time left and they all seem to be one-offs, is: what are you doing around making these sorts of things a consistent part of all your developments and then feeding that back up, I guess, to ACTPLA so that they will not be just part of

your developments but part of new developments in Canberra as a whole?

Mr Robertson: In relation to that I would argue quite strongly that they are not really one-offs. I think I have discussed that previously with this committee in relation to some of the measures that we have been piloting, different things in different suburbs. But as I look through that list at the bottom of page 238, really in terms of Harrison, Forde and Wright, they are just the latest ones that are doing it. Over the time that some of the codes have been developed, we, our consultants, ACTPLA, have discussed some of these matters.

Take the first dot point, for example. It is something that is the way of the world now. Certainly the same approach will be adopted in relation to Coombs, Lawson and the other suburbs as we roll them out. The Bonner display village, I think, was a demonstration project with the estate. I am pleased to note that, a couple of weeks ago at the Housing Industry of Australia awards, the homes in the Bonner display village featured very strongly in the nominations and the actual awards, both for sustainability and for a lot of the other elements. When people see that, they seek to emulate it because they want their products to sell. So that is having a good effect.

With the street lights, the third dot point, you have got to trial and demonstrate that somewhere. We started in Bonner. In terms of those things working, it would be my anticipation that not just LDA estates but, having demonstrated that these things work and that they are worth the effort, this would then basically become part of the TAMS standards that are managed by Actew in that sense.

With the hot-water system one, we have certainly done that as a demonstration affecting Bonner. I do not know now that we would necessarily continue to do that. I think that, with some of the data, as we get that, we will demonstrate that to people and they can make their own informed judgements and it will be business as usual for them.

There are the multi-unit site energy efficiency requirements. I could continue to roll through the rest but, third from the bottom, we have the water sensitive urban design principles. I briefly touched on joint ventures before but one thing that I know in the time I have been here is that the LDA learnt from some of the joint venture partners with us. For example, with some of the work being done in Forde by our joint ventures, where CIC and Delfin brought some of the best practice from around the country to Forde, we just did not sit back and say, "That is wonderful. Well done. Keep it up." We have been picking that up and running it and implementing it in a lot of our suburbs.

I think you will be very pleased to see, when the EDP for Coombs and things come out, how a lot of those things were not just reflected there. They have been reflected in the subsequent stages of Franklin, Bonner and Wright. So they are not one-offs. They are part of standard business for us now.

MS LE COUTEUR: Your first dot point was to maximise the solar orientation of all blocks within the constraints of topography and major roads in Harrison, Forde and Wright. I understand, for Wright at least, you followed the rules which will become part of the territory plan when draft variation 301 eventually becomes part of the

territory plan. What impact would that have on yield?

Mr Robertson: I do not have that right off the top of my head but, in terms of yield on the individual blocks, it is certainly the case that you can get a different dwelling yield in terms of size of house on an east-west block compared to a north-south block. I do not have those specific details here but I can get them.

MS LE COUTEUR: I am not interested particularly in the yield in terms of number of blocks; rather, the yield in terms of the space that a house can occupy on the block.

Mr Robertson: And it may be that, because we are intending to do this, we do not actually have a comparison. We have not gone and done bad design so that we can compare it with good design; so there might be a bit of a problem in terms of identifying that proportion.

MS LE COUTEUR: But if you have done any formal work on that, I would be very interested in seeing that.

MR COE: I have a question about the notation on page 59. I see that, with regard to revenue from non-ACT government entities, other interest revenue, late settlements and deferred payments have gone from \$314,000 in 2009 to \$2.3 million this year. I was wondering what the explanation is for that.

Mr Robertson: What happens is that we have contract settlement time frames and if we take a block out to auction, for example, and we have a settlement that is 60 days—and this does occasionally happen—come the 60th day, with the best will in the world, everyone is not necessarily in a position to settle, they then seek deferred settlement. We will consider the merits of that and might agree to that.

I know that there was one settlement, for example, that was due to happen yesterday—and I will not go into the confidential business affairs of any of our clients—but it will settle today. So there will be some interest tied to that.

We also have—probably some members of the committee would be aware of it—some of the other affordable housing initiatives that we are pursuing, including some demonstration projects that we are doing at both Dunlop and Franklin. There is the precinct in Franklin called Stonebridge, for example. What we wanted to do here was demonstrate affordability and make sure that we had appropriate arrangements.

For some of these things, as part of that project, we went out in probably 2007 or 2006. It was before I joined the LDA. On some of those, there were deferred settlement arrangements because we wanted to demonstrate affordability. We wanted to do what we could. That was part of what we originally went out to the market with. So some of that revenue—

MR COE: It is not a line of credit available to vendors?

Mr Robertson: No, it is not a line of credit at all.

MR COE: Or vendor finance?

Mr Robertson: No, it is not vendor finance. Sorry, I did not want to give the impression that this is only in relation to large blocks or things. I can indicate that from time to time we will have individuals, like mums and dads, for want of a better expression, who are buying blocks of land and who might have a settlement time frame, which is normally 28 days from when we notify them, and they will not necessarily settle on that exact date. So we might allow them a couple of days grace, for whatever reason.

Just to clarify that, you asked a question about vendor finance. It may well be that, on some strict accounting interpretation, some of the elements might look like they are vendor finance but we do not go around acting like or pretending we are a bank.

MR COE: Why have these deferred payments, for one reason or another—whether they are technically vendor finance or whatever they might well be—increased by \$2 million this year? From the way you speak about these operations, it sounds like it is usual business. If it is indeed usual business, why would there be a 600 per cent difference between years?

Mr Robertson: Some of that will be the timing of it. Some of these arrangements in terms of interest may not have kicked in until certain milestones in the project. In general terms, that would be the explanation.

MR COE: There is a huge disparity, though, \$300,000 one year and \$2.3 million the next.

Mr Robertson: Yes. It is an increase, in terms of from one year to the next, that is true. Predominantly it is because of those deferred payment arrangements, as I mentioned.

MR COE: It says that. But I am curious as to what circumstances might have changed between years to bring about that marked increase. Is it a handful of projects in particular which are driving that up or is it—

Mr Robertson: It is predominantly those demonstration housing projects that I mentioned.

MR COE: Whereabouts are they, did you say?

Mr Robertson: Dunlop and they are also in Franklin. They were a direct response by the LDA to one of the initiatives in the May 2007 affordable housing action plan, where it talked about the LDA partnering with industry to—I forget the exact number in the thing—

Mr Dawes: There are 104 in one and there are about 208. It has been one of the Village Building Co's quite successful affordable housing packages. They have sold all of those off the plan and they are coming to completion. I feel that is potentially something that we should be doing in the future as well. It has been quite successful and the people that have bought in there are quite delighted. The one in Dunlop in particular is integrated with the open space, which is an added feature for that

particular development.

MR COE: If you could provide a breakdown of that \$2.3 million and how much is coming from those two projects that you mention, the reason being that I am curious about how many mum and dad-type investors might well have overreached because of the house prices and land prices or whatever. I would be keen to know what portion is coming from those particular projects you mentioned but also which ones are coming from other entities.

Mr Robertson: Just for clarification, I do not think it is in relation to people having overreached. It is really a timing issue where, for whatever reason, settlement that was supposed to happen today might get pushed back to tomorrow. In the housing market, beyond anything the LDA or the ACT government is involved in, that happens fairly regularly, from my understanding, where settlement might be due today and it ends up happening tomorrow or later in the week, for whatever reason.

MR COE: If you could take that on notice, that would be good.

Mr Robertson: Sure. We do not have the detailed breakdown for that figure here.

THE CHAIR: Thank you very much, Chief Minister, Mr Dawes, Mr Robertson and Mr Kelly. It is now 12.30; so we will finish there. There obviously are some questions you have taken on notice. Members will have five business days to get any further questions to you and then you can get those back when you can. Thank you very much.

The committee adjourned at 12.30 pm.