



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING AND URBAN RENEWAL

(Reference: [Annual and financial reports 2015-2016](#))

Members:

MS C LE COUTEUR (Chair)

MS S ORR (Deputy Chair)

MS T CHEYNE

MS N LAWDER

MR J MILLIGAN

PROOF TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 10 MARCH 2017

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Secretary to the committee:
Dr B Lloyd (Ph: 620 50137)

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

Chief Minister, Treasury and Economic Development Directorate	1, 56
Environment, Planning and Sustainable Development Directorate	1

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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

Gentleman, Mr Mick, Minister for Police and Emergency Services, Minister for the Environment and Heritage, Minister for Planning and Land Management and Minister for Urban Renewal

Environment, Planning and Sustainable Development Directorate

Ekelund, Ms Dorte, Director-General

Rake, Mr Gary, Deputy Director-General

Spencer, Mr Gary, Acting Director, Finance and Operational Support

Cilliers, Mr George, Senior Manager, Merit Assessment and Estates

Carmichael, Mr Tony, Executive Director, Strategic Planning

Doran, Ms Karen, Head, Asbestos Response Taskforce

Chief Minister, Treasury and Economic Development Directorate

Dawes, Mr David, Director-General, Economic Development, and Chief Executive Officer, Land Development Agency

Peffer, Mr Dave, Deputy Director-General, Access Canberra

Collett, Mr David, Executive Director, Public Housing Renewal Taskforce

Lopa, Ms Liz, Executive Director, Urban Renewal

Wilden, Ms Karen, Director, Office of the Coordinator-General, Urban Renewal

Holt, Mr Nicolas, Director, Urban Projects

THE CHAIR: Good morning, everybody. I now declare open this morning's session of the public hearings of the Standing Committee on Planning and Urban Renewal inquiry into annual reports 2015-16. The proceedings this morning will commence with consideration of the annual report 2015-16 of the Environment, Planning and Sustainable Development Directorate as it relates to planning. The committee will then move on to consider the asbestos response task force and then urban renewal.

I remind witnesses, although I am sure you do not need reminding, that the proceedings are being recorded by Hansard for transcription purposes and are being webstreamed and broadcast live. Before we begin, can I remind witnesses of the protections and obligations entailed by parliamentary privilege, and draw your attention to the pink privilege statement.

On behalf of the committee, I would like to welcome the Minister for Planning and Land Management and his officers to answer questions regarding planning and the Architects Board. Minister and officers, can you confirm for the record that you understand the privilege implications of the pink statement?

Mr Gentleman: Yes, we do.

THE CHAIR: Before we proceed to questions, do you have an opening statement, minister?

MR GENTLEMAN: Thank you, chair, and thank you, committee members. I just want to briefly thank my directorate for the work they have been doing over the last

12 months. It has been a fantastic effort in view of looking at master planning right across the city and, of course, with pushing forward the directions from the statement of planning intent that we did last year. It was a great opportunity to work with the community on where they want to see Canberra's planning going in the future.

Some of the key messages out of that were that the community wanted to see more urban renewal, more densification in the city centre and the town centres, and less greenfields spread. So we have taken that on board and the directorate is working through that process in its forward momentum. With that, I will hand over to the committee for questions.

THE CHAIR: Thank you, minister. I will go first to Ms Lee, because she has another very important engagement.

MS LEE: Thank you, chair. I appreciate the indulgence. My question is in relation to the Foy proposal. The ACT government, as I understand it, has classified this development as an impact track development because of the potential negative environmental impacts. Could you please elaborate, minister?

Mr Gentleman: Yes, certainly. There are two different tracks we use to measure development applications. The impact track is the one that has to have the most detail involved in decision-making through the directorate and through the independent authority. As you have seen at this stage, the Foy development has put forward an environmental impact assessment statement. That was looked at, at the time. During that process we saw a lot of concern and interest from the community. I decided to form a panel of inquiry to look at the EIS and anything further coming from that.

We have had a great response from the community. In fact I met with the Tuggeranong Community Council on Tuesday night. Many of the queries from the council after the presentation were around the Foy proposal and the way that that strategic panel is working. I am very pleased with the work they have done so far. They have opened themselves up to the public, and, for the drop-in sessions, they have extended those sessions as well. I might ask Dorte Ekelund from EPSD to give you a bit more detail about the difference between impact track and merit track assessments.

Ms Ekelund: As the minister said, we have sought more information from the proponents and have appointed a panel of people who have expertise in health outcomes in particular, both the potential pollution and health impacts. We undertook an assessment of the environmental impact statement and we felt that it did indeed identify issues to be considered, but we were not totally satisfied that we had a full understanding of the potential health impacts.

It is a very interesting proposal because, if it does not have undesirable impacts, it is an opportunity to re-use plastics that would otherwise go to landfill. So the potential environmental benefits are actually very worthy, but, of course, it is a new type of proposal, and we are wanting to look at that in a great deal of detail and make sure any fears that the community has or any concerns that we might have about the proposal are fully addressed. We want to make sure that it is not a proposal that would in any way risk the health outcomes for the Tuggeranong community in particular,

who have expressed concerns.

We have had a couple of panel meetings. As the minister said, they have been well attended by the community. Our officer Tegan Liston was involved in establishing those panels and was in attendance. If there is any more interest in the proceedings and the issues raised, I am sure she could elaborate.

MS LEE: Minister, earlier in your answer you said that you had received a great response from the community. What do you mean by “great”—as in the volume or as in a positive response?

Mr Gentleman: Certainly, from the Tuesday meeting, there was a very positive response to the placement of the inquiry panel and the way that the government had moved past the normal planning parameters for this particular waste-to-fuel program. It is important that we have taken that step, because the community is quite concerned about the proposal.

It is important that we have experts on the panel that have a good history of working in that area. The panel is chaired by Craig Lamberton, who spent 24 years in the New South Wales Environment Protection Authority, most recently as the Director of Hazardous Incidents and Environmental Health. Dr Stephen Christley has been appointed to the panel. He was the inaugural Chief Public Health Officer for South Australia.

MS LEE: As you said, the government actually moved away from the usual way of doing this for this particular proposal. Is that because, as Ms Ekelund pointed out, there were some concerns that were raised in the EIS?

Mr Gentleman: We have not moved away from the usual. We are incorporating this panel of inquiry into the detailed scrutiny of the EIS. As you are aware, there is no development application at this stage, so we are simply looking at the EIS.

MS LEE: In terms of public consultation, if you do receive further feedback from the community—because, as you know, there was some concern that the times may not have been convenient for some Canberrans—will the government be willing to engage in further public consultation on this?

Mr Gentleman: The panel has advised that, whilst the drop-in sessions had some time frames around them, due to public interest they extended the time frames for the drop-in sessions. But the panel of inquiry continues until they finalise their report. People can email their submissions in to the panel until 2 May. So it is foyinquirypanel@act.gov.au.

MS LEE: 2 May?

Ms Ekelund: That is when the panel will report. We have asked them to report back within 60 days, and that closes on 2 May. That gives people plenty of time to provide input while the panel is deliberating over issues raised and the technical work.

Mr Gentleman: While that process is ongoing and the report is due, should the Foy

Group decide to go ahead with the development application, there are appropriate opportunities for the community to consult and be consulted as well. At this stage, if the proponent was going to proceed with a development application, I would encourage them to talk to the community well in advance of that proposal.

MS LEE: In terms of the inquiries that you have received by email, can you outline how many and the nature of the inquiries or concerns that have been raised?

Mr Gentleman: I do not have the detail of the work that has been provided to the panel at this time. They are due to report once that is completed. There is certainly quite a bit of input into the EIS. There are a number of submissions that are available publicly on our website.

Ms Ekelund: I think we are up to 63.

Mr Gentleman: We have 63 public submissions on the EIS.

MS LAWDER: I have a supplementary. First, a quick bit of positive feedback. I do not believe I received the initial Foy letterboxing—I think I would have taken notice of it if I had—but I did receive the ACT government letter advising about the public hearings. I thought that was very positive—that that area was covered. Thank you for that. My question is about the report from the expert advisory panel. When you receive that, minister, will you make that report publicly available?

Mr Gentleman: I cannot see any reason why not. It will go through the directorate first and then the directorate will add their advice back to me. Certainly, in a time sense, I would like to have the directorate comments before we make it public. I cannot see any reason why not.

MS CHEYNE: Could I ask a clarifying question? What authority will the recommendations from the expert panel hold?

Ms Ekelund: It is still up to the independent planning authority to provide advice to the minister. So it is input that we use. They are established under our legislation but the decision-making authority still resides with our authority.

Mr Gentleman: You could imagine, though, that with the expertise that is provided within the panel, their recommendations would hold some weight.

MS CHEYNE: Yes, thank you.

THE CHAIR: One would hope so. I will start with strategic planning, objective 5, on page 73. Which of the plans and strategies gave the planning go-ahead for the LDA's purchase of rural land at Huntly, Bulgar Creek, Lands End and others to the west of Canberra in mid-2015?

Mr Gentleman: That is a question for the Land Development Agency. They will be prepared for those questions this afternoon with Ms Berry—or are you speaking about the overarching planning?

THE CHAIR: I am speaking more overarching. Your organisation, ACTPLA, does the strategic planning, so presumably LDA would be within that framework?

Mr Gentleman: Certainly.

THE CHAIR: I have the picture which the *Canberra Times* article had, with the western broadacre study. Has this study commenced and finished? How do ACTPLA's purchases go with it?

Ms Ekelund: The strategic framework for the ACT in the ACT planning strategy certainly establishes where we are proposing urban development to happen in the shorter to medium term and then sets the framework for where urban development may happen beyond the shorter to medium term. As I am sure the committee is aware, the planning strategy places an emphasis on having a balance between greenfield and infill development and certainly advocates that we should have a more compact city in terms of ensuring that we facilitate urban intensification in our town centres and along our principal transport routes so that we do not have to do as much greenfield development as we otherwise might.

The government has had a sort of fifty-fifty policy. We are, of course, responding to the market as well. There are a number of areas where future urban development may happen in and around the city. In 2017, now, we are commencing a review of the planning strategy, which will take into account all opportunities for urban development around the city.

We have started looking at places like Kowen forest. Of course, there is a softwood plantation in there and there are also recreation uses et cetera. But Kowen is a possible urban release area, as are some parts to the west of our immediate city. That is the area where the Land Development Agency, thinking about the possible need for urban development, has made some purchases. With respect to the thinking behind those purchases specifically, we would suggest that you talk to them.

We have not started detailed planning for urban growth in those areas at the moment. We are still rolling out Gungahlin and Molonglo. The government has made no decisions about where to go beyond there specifically—apart from, obviously, the Riverview development. It depends a little bit on infrastructure. You may be aware that there is a conversation happening at the moment about the need to upgrade the Queanbeyan sewage treatment plant. It is well and truly at the end of its economic life.

It is possible that a strategic investment in that sewage treatment plant could result in Kowen being the next area to be developed, because if a significant piece of infrastructure like a sewage treatment plant is in place then that might be a good idea. Likewise the government would need to consider whether those areas to the west that you mentioned—Bulgar Creek or other areas—would be preferable. That decision-making has not been done but it will be part of the conversation that happens as part of the review of the planning strategy that we have just started.

Mr Gentleman: More strategically, if you look at page 74 of the report, under the topic “Planning”, it goes into eight strategic points that we will move forward with as we look at strategic planning for the future. Of course, the first one is “ongoing

implementation of the ACT planning strategy, together with other directorates". So these decisions that LDA makes are informed by our future planning strategies.

THE CHAIR: Are the LDA's purchases consistent with this? When did the planning for this start, and when did it finish? I thought this was a block for a future work plan at this stage.

Ms Ekelund: It is.

THE CHAIR: So this is just a future work plan, from ACTPLA's point of view?

Ms Ekelund: We have not done a detailed analysis of that area yet. As I said, we are commencing a review of the planning strategy, and looking at those areas may well form part of that. The review of the planning strategy will take a year or two before it is finalised.

THE CHAIR: You have not made any decisions as to what might be done with this land that the LDA has purchased? You do not know what the purpose of the land purchases is?

Ms Ekelund: We can say that it is not inconsistent with the diagram that you have there, but the decision-making behind those purchases would need to be the subject of questions to the agency.

THE CHAIR: So you have not really decided that this is the best place to go; it has just happened. Have you done community consultation with the areas of Weston and Kambah that would be affected, assuming this is going to happen as the LDA appears to be implying by its purchases?

Ms Ekelund: As I said, we have not started the detailed work there. We have not done any consultation because the work has not been done in detail. It is really only indicative, as you indicated, from that earlier strategic planning work.

THE CHAIR: Ms Orr.

MS ORR: I would like to move a little more down the planning pipeline to development assessments. In particular, within my electorate the McKellar shops has been a site that has not had anything happening for a little while. I believe there was recently a development application put in, and I wanted to get an update on where that proposal is at.

Mr Cilliers: McKellar shops was approved, from memory, in October 2016. It included a small supermarket, a number of commercial tenancies and approximately 20-plus units. I understand that we endorsed drawings in about December-January. The applicant took a while to comply with the EPA requirements for noise management. They have two years to commence from the date of determination.

MS ORR: Is the date of determination the October approval or the December-January?

Mr Cilliers: Yes, the October approval.

Mr Rake: We can provide the precise date of that approval and a copy of the notice of decision, if you wish.

MS ORR: That would be good. So that I am clear, it has all been approved. The designs have gone in; they are all compliant now. The developer now has two years to—

Mr Cilliers: That is correct. However, I do not know whether they have actually applied for and had building approval. That is something outside my knowledge.

MS ORR: Thank you.

MS LAWDER: I refer to the table on page 12 of the Environment and Planning Directorate annual report. With regard to the directorate consultative committee, can you explain the terms of the agreement between your directorate and the unions? It is at the top of the table on page 12.

Ms Ekelund: Are you talking about the consultative committee?

MS LAWDER: Yes.

Ms Ekelund: The union are in attendance at those meetings. I generally also attend those meetings to make sure that staff have an opportunity to raise any concerns they have in the presence of union representatives.

MS LAWDER: Are they directorate employees who are union representatives?

Ms Ekelund: Some are, yes. Some of the members that attend from our staff are union members, but union officials that are not staff are also invited to participate in these meetings.

MS LAWDER: Which unions are involved?

Mr Gentleman: Usually the ones that are associated with the employment conditions. In this case it would be the CPSU.

Mr Rake: We also have a union that represents engineers. Could I take it on notice and bring you a complete list? There are three or four.

MS LAWDER: When you say union officials attend, do they have a vote or a voice or are they observers?

Ms Ekelund: They absolutely have a voice. They can raise any issues, and do, but it is not a forum where we actually make decisions and have votes per se. It is a dialogue. Staff may raise concerns—OHS issues, for example—that management then attend to.

MS LAWDER: With the consultative committee, is there a review process about

satisfaction of the work of the committee and reviewing the outcomes of the committee?

Mr Gentleman: I would say that is ongoing, Ms Lawder. Consultative committees have been around for a number of years across the ACT government, and with the commonwealth government as well. It is an ongoing process of review of how the committee works and the outcomes that we see from it.

MS LAWDER: Do you do an annual staff survey?

Ms Ekelund: We do. In fact we are due to do one now.

MS LAWDER: So there would have been one done at this time last year?

Ms Ekelund: There was.

MS LAWDER: Are you able to provide the results of that one to the committee?

Ms Ekelund: We do have a summary that we made available to all the staff and we did a staff presentation on the outcomes. I am sure we can make a copy of that presentation available for the committee.

MS LAWDER: With the enterprise agreement expiring in 2017, could you confirm that a similar committee with a similar make-up and membership will take place under the next—

Ms Ekelund: We have started consultation at a whole-of-government level and that will cascade down into specific discussions at the directorate level, too. But that has not commenced yet.

MS LAWDER: Do you expect that the new agreement will be ready to go at the expiry of the current one?

Mr Gentleman: That is always our hope, but negotiations in those enterprise bargaining agreements across government are quite lengthy. There are a lot of employees and there is a lot of different directorate work that occurs. Individual employee groups, of course, want to see particular outcomes for their area, so it does take a while. I am pleased to say there have been agreements agreed to in the past, so hopefully we will see one very shortly for this area.

MS ORR: I have a supplementary. I had the great joy of being on the DCC at my last place of employment. Our DCC was made up of one union official, staff representatives and management. It was just to have a discussion on any issues around HR, the application of the enterprise agreement and any other relevant legislation. Would I be right in understanding that your DCC functions in a similar way?

Ms Ekelund: That is right.

Mr Rake: Very much so. Ours is chaired by a staff member within the organisation. It has representatives from each of the working groups. The discussion is really quite

productive. It is a mix of issue raising. It might be that employees have noticed a change in traffic behaviour around their office and they want to talk in a general sense about safety, in moving around the workplace. There is also quite a strong discussion about how we promote healthy culture within the organisation, whether we can adopt new trends like walking meetings or how we manage the positive performance of the place. So it is quite a balanced discussion and I think it is pretty productive.

THE CHAIR: Ms Cheyne.

MS CHEYNE: I have questions about development applications and the process. When DAs are lodged and go out to the community, what is the minimum time frame for which the community is consulted? Is there a maximum time frame?

Mr Gentleman: We generally ask proponents to consult with the community before they put their DAs in. Then there is the process, of course, within the directorate for that consultation as well. I will ask Mr Cilliers, again, to give you those details.

Mr Cilliers: There are actually two statute time frames for merit track DAs and a pre-lodgement time frame as well. I will start with pre-lodgement. Prior to lodgement of certain DAs there are certain tests. They are mostly larger DAs—DAs, for example, that go over 7,000 square metres GFA, three storeys or more than 50 units. They qualify for what we refer to as pre-lodgement community consultation.

That is not statutorily controlled, although we try to give some indication or make some suggestions to the proponent about what they can do. That is normally by means of things like letterbox drops, engaging over social media or whatever the proponent might then do. After they lodge a DA, they submit a report to us—quite often just a brief report—to inform us what they have done and what the outcome was.

As I said, that is not a statutory process. When it gets to the actual lodged DAs, if it is lodged in the merit track, there are two time frames. There is a minor notification time frame. The time frame for that is 10 working days. That is where you only notify the adjacent neighbours by letter. Then there is major notification. This is the bulk of our applications. This is what the act refers to as major notification. That is 15 working days. That also includes going on the website, having a sign onsite and the normal adjacent letterbox notification.

MS CHEYNE: Going back to the pre-lodgement consultation, you mentioned social media. I think I have seen before that companies like GEOCON do things like petitions. Would that be seen as community consultation, that there is a desire for this development to proceed?

Mr Cilliers: The way that process is currently structured is more an opportunity for the proponent or the applicant to engage with the community to try and find out what the community would like and what a perception would be about a development. We take our key indicators from the statutory notification process that follows after that. Although we do have regard to that notification, we understand that it is done by the applicant. It will therefore be—it depends on how they engage and how they pitch it to the community.

MS CHEYNE: Are there any circumstances where the consultation period or the notification period is longer than 15 days?

Mr Cilliers: We have discretion to extend it. In certain circumstances we can. There are not really specific circumstances specified in the act. But we have the statutory power to extend the time frame or, if we become aware of an error, then the act actually requires us to re-notify it. If we are aware that there is a substantial error, we will normally re-notify it.

MS CHEYNE: And restart the clock?

Mr Cilliers: But that is usually an error in the actual process of notification. It might not be necessarily the documentation submitted.

Ms Ekelund: We also regularly—well, generally around Christmas time we are very concerned to make sure that people have an opportunity to see proposals. There is a point at which we stop advertising before Christmas but there is sort of a shoulder time where we regularly add a week or two on to the notification period so people have a bit more opportunity to actually see it.

MS CHEYNE: In terms of ensuring that there is enough awareness in the community, sometimes it seems that the notice for the DA is quite small or you drive past it and wonder what it is for. But you have to pull over. I think I saw one in Belconnen the other day. There was a notice but there was no real place for me to even stop to see exactly what it was. Is there work underway to improve assistance with that?

Mr Gentleman: There certainly is. We are aware of the community's earlier angst with, as you say, advertising for DAs. So we have moved quite swiftly, firstly, by introducing the DA app finder. It is an opportunity for people to download the app to their smart phones or their iPads. With that app you can go in and look at the DAs that are put in around your particular area or an area that you select.

Once you are logged into the system, it will also push messages to you of new DAs that are coming up in your particular area or your area of interest as well. We are trying to be as interactive as we can. The app has been very successful since its launch. We are continuing that work too in a sense so these message boards you see on the side of the road for development applications are more descriptive of the development application.

It used to be all text. It would say that this is what is happening on this particular application. Now we are moving more into some drawings—technical drawings as well—to describe better the development application that is proposed for the area. There is a good bit of interactive work now between the public and the directorate. It is worth while congratulating EPD on the work that they have been doing in that area. That will continue to grow I think too. Also, of course, on the planning website itself you can see DAs that have been lodged.

MS CHEYNE: On the website, can you sign up to get notifications of new developments in your area?

Mr Gentleman: No, I do not think we have got to that point. You can do it with the app but I am not sure if we are that interactive on the website yet, but we are certainly moving that way.

MS CHEYNE: I have a final question. When the notice period closes it seems that sometimes there is a certain time set for how long it stays sitting on the website with some of the material. But then it goes. That information is not available to people even if they are still interested in just having a look again at some of the information. Is there a reason for that? Is there any work to improve that or continue to make that information available?

Mr Gentleman: Yes, there is a point in time, of course, when an application is no longer an application. It has been approved. You can then look at approved applications on a different part of the website. I will ask the directorate to give you more information.

Ms Ekelund: We have taken DAs off principally because of the cost associated with storing the data. They are quite dense—data rich—especially with all the plans et cetera. But we are in the process of discussions with Shared Services at the moment to see whether there is somewhere we can store that material in the cloud so that it does not cost so much and so that development applications and final decisions can be available virtually for all time, rather than having to go through our Access Canberra shopfront to access historic plans. We are keen to make them as easily available as possible.

MS CHEYNE: Am I right that there is a period of time between when it is up there for community to comment and when it might be approved? Am I right that it could disappear in that time?

Ms Ekelund: Yes.

MS CHEYNE: You might not know that there is an application pending?

Mr Cilliers: The normal time frame between when notification closes and when it is determined is, in terms of a statutory time frame, between 30 days and 45 days. It is 30 days if there is no objection. If there is objection, it is 45 days. Once a notification has happened, that leaves the authority with about two to three weeks to assess, to close and to do some reconciliation on any objections.

MS CHEYNE: But, once it is notified and once it is approved, there is no pending list that people can see?

Mr Cilliers: No.

Mr Rake: That is right. It would be possible, for example, for someone to buy a house next door to a site where a DA had been consulted, the consultation period had closed, it was no longer on our website but construction work had not yet started. They would only find that by inquiring about the status of development applications on adjacent properties.

MS CHEYNE: Are there ways to improve that?

Mr Rake: That is the work that the director-general mentioned. We are exploring the potential to hold all of those in perpetuity on the cloud. We would make that information available through our site. We could have a new tab on the DA finder app that deals with DAs in the past 12 months or DAs in the past 10 years once the dataset builds.

But we also within our directorate have taken a leading role in open data policy and a particular form of licence that enables us to make this information publicly available. We do it for the ACTmapi datasets. That could enable us to share that information with other information brokers.

You can imagine real estate websites where you can drill in and look at the past sales history for a property. You might also be able to see past development application history for a property. The private sector could draw from our dataset to build that value. That would be a powerful way to get the information to the community without government needing to do it directly. We can just enable it.

MS CHEYNE: Thank you.

THE CHAIR: We have two supplementaries and then we will move on.

MS LAWDER: Can you tell me what percentage of merit track DAs are successful?

Mr Gentleman: I think we have that number for you.

Mr Rake: We will have to take that one on notice; sorry.

MS LAWDER: Sure. I note that 70.3 per cent of merit development assessments are made within the statutory time frame, which is similar to the previous year. Why has there not been an improvement or what are you doing perhaps to do more?

Mr Rake: I am pleased to report there has been an improvement. Tracing through to December last year—so the first half of this financial year—performance is up to 76 per cent. We are above our target. We did have a period where we were receiving a larger number of more complex proposals, so it was taking us longer to work through them.

In the middle of last year our planning delivery team was restructured to enable our teams to focus more particularly on batches of applications according to their complexity. It meant that rather than every application sitting in line waiting to be dealt with sequentially—a simple one could sit and wait for a while because it was in line behind a complex one—we now have dedicated streams for applications based on their complexity. We have several of the team here who work on that. It is purely that dedication of the staff in embracing new approaches that has lifted that performance.

MS LAWDER: Since you have taken on notice what percentage of the complex ones or the merit track DAs are successful, could you also come back to me on this: if it is a significant percentage of them, is it worth considering ways to simplify it? There are

quite a number of them.

Mr Cilliers: I do not have the exact percentage. It is fairly significant. What we are doing currently is looking at the way in which we structure our notices of decision, our assessment reports or, if I can put it this way, the simpler DAs without representations, to make it more efficient to turn them around. In respect of the complex DAs, as Gary said, we are dedicating staff more specifically to that in a functional stream rather than—

MS LAWDER: Is that the DA gateway team?

Mr Cilliers: We have introduced our DA gateway team to assist with the pre-application process. That also saves significant time. Previously the assessing officer would have attended a pre-application meeting and done all the up-front administrative processing. That is now done by a dedicated team. For us, there are consistency benefits in the advice we provide—

MS LAWDER: So you feel there have been benefits in that DA gateway team?

Mr Cilliers: Yes, certainly, and we have had very positive feedback from industry about that as well.

Mr Rake: May I clarify something, Ms Lawder? It relates to the question about merit track approval. Were you after the percentage approved in total or within the time frame—

MS LAWDER: I wanted to know what percentage of merit track DAs are successful.

Mr Rake: Because, of course, percentage failing may indicate that applications were coming in that did not comply with the rules and should not have been approved. The gateway is designed to help developers understand those deficiencies early and to save them an extended period of disappointment.

Ms Ekelund: I also add, as I am sure you are aware, that some applications that are refused are subsequently reworked, then lodged and may be approved. So it is the same application—

MS LAWDER: Does that come up as one or two in your—

Ms Ekelund: It may be the one application that is both refused and—

Mr Cilliers: That will be the same application reconsidered. It will show as an approval at the end of the day, yes.

MS LAWDER: Would that affect the 70 per cent approved within the statutory time frame if it was the same one that was amended? Or would a new—

Mr Cilliers: It actually draws out the time frame. I do not think it really leaves a statistical impact because, when we determine a merit track, the reconsideration of an application, although it is the same DA number, is determined again. There is a

statutory time frame of 20 working days on reconsideration of applications that we can extend.

THE CHAIR: Ms Orr had a brief supplementary, and then we will go to Mr Milligan.

MS ORR: Mine goes to the DA gateway team as well. With the consultation on that, is it a case of you just working with the industry people? And do you give them any guidance on community consultation that they could undertake depending on the project?

Mr Cilliers: I might answer that question as best as possible. It is not limited just to consultation with industry. For example, we have a regular meeting with MBA, the master builders association. We meet with industry on that basis. We certainly try and engage with the community. There is a duty planner role as part of the gateway team, and that exposes us to the day-to-day needs of somebody coming up to our front counter and asking questions. There is a constant process of improvement. We are trying to create more consistency in the advice we give. We do what we refer to as clarification notes internally, to provide better and more consistent advice. That was all introduced in the past year.

MS ORR: I think you mentioned—I cannot remember who mentioned it—that industry has been quite positive towards this change. Are you finding that you are getting a lot of engagement from industry? Would I be right in assuming that?

Mr Rake: We do get good engagement from industry. We also talked through the motivation and the process for the change to introduce the gateway team with the combined community councils. We convene a planning and development forum, or a planning and environment forum, that brings together representatives of all of the community councils, industry and other key stakeholder groups such as the conservation council or professional bodies like the architects in the one meeting. We chair the meeting, and it is an opportunity for us to share information between the directorate and all of those stakeholders at the same place, and for the stakeholders to express views both to us and to each other. The gateway process has been welcomed by all of those parties, and it was a good opportunity to talk. It brings extra transparency to the improvements we are trying to make.

MS ORR: Just for clarification, for my sake, when someone comes with an application to do a bit of work prior to lodging, is it the case that they just have one meeting, or can it be more of a dynamic process that goes on?

Mr Cilliers: They can request a further meeting. Also, besides formal pre-application meetings, we are happy to engage with anybody prior.

MS ORR: Just one more question on that. Within my electorate, Gungahlin has quite a bit going on. I was wondering, particularly around the town centre, if anyone is engaged in this process at the moment to shape up proposals?

Mr Cilliers: Anybody—

MS ORR: If there are any pre-application processes going on for potential

developments in Gungahlin?

Mr Cilliers: I would need to take that on advice, on notice.

MS ORR: Okay.

Mr Cilliers: We get pre-applications. We have a rolling program of pre-applications, and every week we get notice in advance, up to a week, as to which pre-applications we would receive.

MS ORR: If you are taking that on notice, for clarification, I would be interested to know particularly about the business park up in the back corner.

Mr Cilliers: Yes.

MS ORR: Just what proposals for that particular area you might be in discussions about.

Mr Cilliers: We have been engaged in pre-application meetings with the air tower, if I can use that term, as well as the development on section 12, block 12, next to the ESA facility.

MS ORR: Okay.

Mr Cilliers: They are the two key ones we currently have pre-application for or have provided advice on.

MS ORR: Would you mind just taking on notice if there are any others.

Mr Rake: In bringing that together, we have commenced a refresh of the Gungahlin planning framework. It is a policy refresh. It responds in part, in major part, to the changing aspirations of the site owners up in that business park. We are seeing more requests to transition from intended office use to residential use. We are seeing requests for tall redevelopment. We have commenced a planning refresh that will look at building height and character, public space and amenity, active travel and road transport.

We attended the Gungahlin Community Council meeting on Wednesday evening this week to discuss that in detail. We have had very good feedback from the community council about the way we have started that discussion. We have face-to-face pop-up sessions; we have an online survey; we have been active in social media. We are very keen to hear from the community and to make sure that we are developing a shared vision for the future of Gungahlin. It has been a great success to date, but we have a lot going on at the moment that we need to look at.

Mr Carmichael: We have already got 300 written surveys from that online survey we put out only last week. It has been a very positive response. People are really engaged with what is happening with Gungahlin and the future of the town centre. We will be proposing a range of meetings out in Gungahlin with key stakeholders, but the community have said to us clearly that they want to communicate with us through

electronic means. They have busy lifestyles. I think that is shown already with 300. That is pretty unprecedented in terms of a response to an online survey, and was mostly very positive and constructive.

THE CHAIR: We are now up to Mr Milligan.

MR MILLIGAN: Thank you. I would like to bring your attention to page 115 of your annual report under the second point, variances to the original budget. It states there that own-source revenue for 2015-16 was \$14 million, which was 84.2 per cent higher than the 2015 original budget of \$7.6 million. Is this increase because of more public notifications or application fees, is it because of higher costs for these, or is it some of these combined?

Mr Gentleman: I might ask Mr Spencer to answer that.

Mr Spencer: Sorry; can I just ask for the page again?

MR MILLIGAN: 115.

Mr Spencer: 115?

Mr Rake: If you don't hurry, Mr Spencer, I am going to beat you to the answer.

MR MILLIGAN: Competition!

Mr Spencer: And the particular line item that you are referring to?

MR MILLIGAN: Point 2, variances to the original budget.

Mr Spencer: Of \$14 million?

MR MILLIGAN: Yes, which is significantly higher than the original budget. Can you just elaborate and explain?

Mr Rake: If I may jump in, can I say that Mr Spencer has only been with us for a couple of months, so given that it is last financial year I might put my old CFO hat back on. Yes, it is an increase. It is an increase in notification and application fees. It is the non-ACT government user charge increase.

MS LAWDER: Sorry; could you repeat that last part?

Mr Rake: The very fine subcategory of "other revenue" is user charges from non-ACT government sources, so from members of the public or business. The increase is due to higher than expected public notification fees and application fees, so higher than expected volume of work.

MS LAWDER: Why would that be?

Mr Rake: We received more development applications than we anticipated. It was a busy year.

MS LAWDER: Yes, a lot more. What does that mean for your planning for the next year?

Mr Rake: Making sure that we are optimising our work processes. The other element of revenue that does come in is the recognition of large-scale renewable energy generation certificates. If we break it down, probably 10 per cent of the increase would be attributable to workload, and then a great big one that comes in is the large generation certificate value. We need to recognise those on our asset register, and in bringing that to account it creates non-cash revenue. That one does not drive additional work for us; the work is done in advance.

THE CHAIR: The work has already been done on those ones.

Mr Rake: Hard work.

THE CHAIR: I will go back to DAs, except not quite DAs—exempt DAs. I have been contacted by a number of concerned residents. You have probably already seen this picture. What is the situation? Can you extend dwellings—dwellings that are exempt—and build right to the side or rear development? Does there have to be a setback?

Mr Gentleman: There are particular regulations that are in place for these. Since your correspondence with that particular photo, I have asked the directorate to have a look at it. I am not sure if they have got all the responses yet, but we can certainly give you some information about setbacks and boundaries.

THE CHAIR: How do people find out about it? This person found out about it when the hole happened. They complained through Access Canberra and were told that there would be a response within 30 days, which is not very useful given that doing the hole certainly took a lot less than 30 days.

Mr Rake: There is a balance for us in promoting efficient regulation. That is the motivation for the exempt development path. We need builders and professionals and certifiers to step up to that responsibility. Access Canberra have a framework in place to deal with complaints such as that based on a risk and harm profile. The potential for a large structure to be improperly located would attract a very quick response. I would be surprised, but I will come back—

THE CHAIR: The response was that they would get back within 30 days, which I understand is the standard response.

Mr Rake: That would be the standard generated response.

THE CHAIR: The person felt, I would have thought quite reasonably, that if someone was going to dig on your boundary it should not be exempt; you should know in advance if a millimetre next to you is disappearing. I would certainly want to know.

Mr Rake: Sure.

THE CHAIR: So it is a question about what is exempt and then what people do. The boundary line thing does not strike me as being exempt.

Mr Rake: It may be a question of fact about whether the work actually undertaken was eligible for treatment as exempt.

THE CHAIR: Absolutely.

Mr Rake: We may need to come back with some site-specific information.

THE CHAIR: That is part of the question. The builder on the other side clearly said, “Exempt. Go away, madam.” There was a 30-day response from Access Canberra. I believe that it quite possibly should not have been exempt. If that is the situation, is there a way that you can escalate things quickly and say, “Stop work. This is not exempt”?

Mr Gentleman: There is a process with Access Canberra for that. We might ask Mr Peffer to come up.

THE CHAIR: In the discussion with Access Canberra there is a point at which they say, “No, the problem belongs to ACTPLA.” That is why I am bringing it up, because I have already discussed this with Mr Peffer.

Mr Peffer: We treat each complaint on a case-by-case basis. It is probably fair to say that the advice we usually provide is not that we will get back to it in 30 days. It really depends on the risk or harm that we believe is associated with whatever might be occurring. Some of that harm could be the detriment to the amenity and someone’s own property. Where we receive a complaint about construction activity that might be particularly close to a property boundary, depending on what is actually happening, that will guide whether we respond that day—in some cases we respond almost immediately—or whether we look at it in the coming days or weeks.

THE CHAIR: But would you go to ACTPLA and say, “This does not appear to be exempt. What is happening?”

Mr Peffer: Yes.

THE CHAIR: In this particular instance—and I know of others—that would seem to be the first statement: “We cannot understand how it could possibly be exempt.”

Mr Peffer: Certainly. Our regulatory team works very closely with EPSD in terms of settling advice on positions as to whether or not something is compliant. Being located very close together means that our teams are in communication, I would say, every day on matters like this.

Mr Rake: We are then able to develop a coordinated response. It could be anything from saying, “This is a work that should have been through a formal assessment process under one of the approval paths,” or it may be that it was an innocent mistake by the applicant and we say: “Hold work. Submit yourself to the proper process, and

live with the answer that comes out. If the application is approved then recommence work.” If it is something that cannot be approved then we say, in that case, if it were unable to be approved, “Fill the hole in.” Or if something has been built higher than it should have, we say, “Bring it back to its approvable height.” We have a range of treatments available to us.

THE CHAIR: I was going to ask about that next. How often do you use those sorts of treatments? I am aware of another instance where a wall was approved at, I think, 3.4, and it was actually 4.2. I think there is a very arguable case that it should not have been approved at 3.4 from a solar access point of view.

Mr Rake: We are very actively looking at that one at the moment.

THE CHAIR: That one too?

Mr Rake: Yes.

THE CHAIR: There is another one, which hopefully you are actively looking at, which I will not give identifying information on. How often do you have things where building work has not been approved and then it has been re-approved to be compliant? In the couple of instances that I am aware of what was built was clearly not in accordance with the plans that were submitted. Regardless of what you might think of the merits of either side, the plans had a timber floor. It manifested as a concrete slab, which arguably was missing most of its Rio. What do you do when clearly it is not what was submitted?

Mr Peffer: From time to time it is the case that during the process of a build, or perhaps even before it begins, plans change. A certifier may approve those changes and then later on down the track actually submits that to the agency. So there is a bit of a timing issue there. In terms of the actual changes that occur during builds, it is probably a reasonably frequent occurrence, and it is for a range of reasons. It may be that the plans do not necessarily take adequate account of a range of factors that might exist on a parcel of land, so during the build changes need to be made.

In terms of replacing a wooden floor with a concrete slab—I might be aware of the particular case you are talking about—that is something that we would expect dialogue to occur between the builder during the process and the owner, for a change like that. When that does not occur and the certifier is not involved in actively advising the property owner, I guess that is a pretty disappointing outcome.

THE CHAIR: That is to put it mildly. How many times do you have changes and then the DA is subsequently rejected?

Mr Peffer: Just to be clear: you are talking about during the build process something is changed which is inconsistent with the—

THE CHAIR: Yes, something is changed. Then the builder realises, or it is brought to their attention by their next-door neighbours, and they say: “Hey, this isn’t what we put the plans in for. It’s something different.” You go back to ACTPLA and say, “I want to do”—whatever it is you want to do. How many times would those changes be

rejected? I would imagine that in most cases the building has expanded in size rather than contracted in size, as a general circumstance. How often are they rejected?

Mr Rake: I would need to take that on notice and do some research. If I try and look over the last year would that be a useful starting point? It is probably not a statistic that we will have readily to hand.

THE CHAIR: Yes, it would. The community perception—by, I suppose, the affected neighbours—generally is that people put something in and then they figure: “Yes, if I actually make it a metre or two bigger here or whatever, ACTPLA won’t say no. ACTPLA will just say, ‘You shouldn’t have done it, but you’ve done it now’.” That is the perception by some of the people who have talked to me about this sort of incident. It would be very interesting to know how often they are actually rejected, because the perception out there is that if you build it then ACTPLA will eventually approve it.

MS LAWDER: I raised a similar concern about a site in Gordon. Perhaps, Mr Peffer, you have heard me talk about it in the past. On a very steep slope there was some excavation right on the boundary; it has now subsided and the neighbour has lost part of their property. What is the rationale for approving an amended DA for something that is clearly the wrong thing? Why would the department do that?

Mr Gentleman: I am sorry; what did you say there? For something that is clearly what?

MS LAWDER: The wrong thing.

Mr Gentleman: The wrong thing.

MS LAWDER: When a builder has quite clearly not done what was in the original DA but done something that was too close to a boundary and breaks all the other rules or guidelines, why would you then approve an amended DA?

Mr Peffer: In that particular example, we were made aware by the neighbour of the excavation that had occurred at the point where the house was significantly built. It was not complete but it was nearly there. As soon as we were made aware of that we issued a stop work notice and ceased all work on the property. WorkSafe was engaged to make an assessment of the risk to—

MS LAWDER: I am aware of the history. I am asking about approving the amended DA.

Mr Peffer: I guess the options that are available in an instance like that where an excavation has occurred and a house has largely been built are to make safe the situation, which is what has occurred, or demolish a built residence because it has not been built in accordance with the original plan. In reviewing those sorts of situations we have to take account of what is the impact on both parties, not just one. We accept that, certainly, there was considerable discomfort caused to the neighbour about how that had been undertaken and the concerns for their own welfare. But, in balancing the considerations and the considerable costs that could be imposed on both parties if we went down the demolition route, we took the decision that it could be made safe and

rectified without any loss in space to the neighbour, and that is where we landed.

MS LAWDER: Ms Le Couteur said that people have a view that ACTPLA will approve it, no matter what you do.

Mr Gentleman: There are codes, of course.

THE CHAIR: I think there needs to be some clear message sent to the industry that there are consequences if you do not follow the plans. There are consequences, and demolition or rectification is a very likely consequence.

Mr Rake: I think that is something—

THE CHAIR: That is what the community expects, but it is not really what is happening.

Mr Rake: That is something that we are doing in our improvements to building regulations. If we think about the knowledge imbalance in the situation that you have described, the buyer of the house has probably entered a contract with the builder and they have—

MS LAWDER: It is an owner-builder actually.

Mr Rake: Okay. What we have to run through, when we are trying to balance out, is: “Is it otherwise approvable? Where are the knowledge weights and balances?” We would expect the builders to really understand that. In terms of our general compliance, we will be looking at the conduct and performance of builders. If it is an owner-builder, that will be probably their only time in the system. If it is a commercial builder, and quite often the case is that we hear—

MS LAWDER: He is a commercial builder, building his own home.

Mr Rake: He will have a closer light on him now. We described in the building reforms last year that builders who have a good track record of building to a high standard and complying with the rules will be subject to less scrutiny, and those who are at the edge of the rules or on the wrong side of the rules will be facing much closer scrutiny and, where necessary, regulatory action.

Mr Gentleman: I think it is important too that, as you have heard, action is taken as soon as it is notified or as soon as possible after it is notified, with a view to ensuring that it is rectified; that it is not just left. Sometimes it takes some time to gather the information needed, but both Access Canberra and ACTPLA are on the job.

THE CHAIR: Given what you said about balancing the risk and the inconvenience, it would seem to me that you have some degree of bias where, if it has been built, you leave it there unless it is a problem. Would that be what you were saying: that the balance of cost and inconvenience would be, generally speaking, to keep what is there there?

Mr Gentleman: Risk and harm, I think, was the term.

Mr Peffer: I am not sure that would be a fair characterisation. I suppose in this particular example it should be understood that this did not come at no cost to the owner-builder. There was a pretty significant impact in terms of the cessation of building activity for a sustained period of time, the engagement of a number of engineers to actually provide advice on how the situation could be rectified, and then going through a process of having new plans approved and certified and that sort of thing. I am not sure that it is fair to say that one party essentially walks away from this without any—

MS LAWDER: The neighbour has also spent tens of thousands of dollars on legal advice and engineering advice, which the neighbour will never recoup unless they go through a civil case. Where is the equity in that? She and her family have done nothing wrong, and they are the victims in this case. I think the public perception is that it is the innocent party that bears the brunt of the impact of these decisions.

Mr Peffer: In terms of the final outcome, we understand the impact that it has had on the neighbour. We have been in close contact with them since the beginning of the dealings in rectifying the situation. There is that civil avenue that we have but I take your point that that is not necessarily the best outcome from the beginning.

Mr Gentleman: Ms Lawder, you mentioned civil proceedings. There is an ACAT proceeding that can be chosen by neighbours, if you like. We are just trying to remember the actual terminology. It is like impinging on your right to acquire—

THE CHAIR: Right of enjoyment.

Mr Gentleman: Yes.

MR MILLIGAN: In relation to your review process, when a complaint is put through and you are checking about compliance, you mentioned that it takes some time but you did not give any indication on roughly how long that is. Do you have an average or any sort of indication on how long it can take?

Mr Peffer: It would be hard to give you an average because it really is a case-by-case basis. In fact, there is an example that we had, I believe last year, where we were called about an excavation that was taking place in someone's driveway. We would have had inspectors onsite perhaps within an hour to inspect and determine whether that was or was not compliant work. At other times it might be a complaint about the colour of a colorbond fence. We probably would not attend that within an hour.

THE CHAIR: Minister Gentleman, you mentioned that a possible outcome would have been, in Ms Lawder's constituent's case, ACAT proceedings. Would ACTPLA have been a party to that?

Mr Gentleman: It depends on what the proceedings are. There is one that springs to mind that I was a little involved with prior to having this role as minister. It was set in Kambah. There was an owner-builder that had been working on the property for around 10 years to do an extension. The next-door neighbour was getting water egress because the owner-builder had not completed the downpipe for the stormwater drain

and the gutter was simply running to the edge of the property and delivering the water into that spot. Therefore the water then flowed into the next-door neighbour's.

Previous to Access Canberra the same team, I think it was, at that time visited the owner-builder, advised them they needed to rectify, and in the process gave advice also to the neighbour on how to proceed through ACAT, because there is no particular code, if you like, for stormwater. If there was no building there the stormwater would still fall in that area and therefore flow to the neighbour. But there was, as we have just talked about, the inconvenience and loss of quiet amenity, and she was able to successfully prosecute that case. The delivery of the verdict then gave her quite some compensation and allowed her to then construct a retaining wall so that stormwater would no longer flow onto her property.

MS ORR: Mr Rake, going back to something you said about the Gungahlin town centre planning refresh, you mentioned that it was partly in response to some of the buildings that are going up in that business centre. Can you give me a better understanding of that planning refresh, what you are hoping to achieve from it and how it will be applied?

Mr Rake: There are three focus areas: building heights and character, public amenity and public spaces, active travel and road transport. We are really just testing, given the success of Gungahlin, with the high levels of investor interest: are we certain that the settings that we have in place at the moment still meet the aspirations and expectations of the community and, if there is to be change, what issues do we need to manage?

If we thought about an office precinct, it would have a road network that considered cars arriving in the morning and leaving in the afternoon; whereas if it is to be a high-density residential area, the cars will be leaving in the morning and coming back in the evening. Maybe that does not matter for the configuration of the roads but it is worth us checking.

MS ORR: Are you planning to use the information that comes out of the study to inform territory plan variations to put this in as statutory measures?

Mr Rake: If changes are required as a result of this, yes they would go into the Territory Plan. I should say that we are aiming for this to be a fairly quick process. We are aiming to have our work completed and reported on by the middle of the year. If changes were needed, we would start work on those in the second half of this calendar year.

MS ORR: If the territory plan variations go in and are amended, will any proposals that are currently underway be affected or impacted?

Mr Rake: Owners can still ask for development applications to be assessed against the current rules but we have encouraged some of the bolder proposals to wait and to participate in this planning refresh, to share their vision with the community and see if the community gets on board.

MS ORR: If the owners do ask to be assessed under the current rules, is there a sunset

period in which they would have to lodge applications to have that, or is it ongoing?

Mr Rake: There is not. A person can lodge an application at any point and ask to be assessed under the rules applicable.

MS ORR: But they would have to lodge before any variations are made?

Mr Rake: Yes.

THE CHAIR: Thank you, minister and officials, for appearing today. We are back again at 11, please.

Sitting suspended from 10.44 to 11 am.

THE CHAIR: We are quorate, so we will restart. We will now turn to the asbestos response task force and the loose-fill asbestos insulation eradication scheme. Minister, before we proceed to questions from the committee, would you like to make a brief opening statement?

Mr Gentleman: Yes, just to thank the task force and the staff involved for the work they have been doing with the community over the past 12 months and prior to that. It has been a difficult job for the task force, but they have done it very well. They continue to do that community engagement work, which is very important, to ensure that we have the safest possible outcomes for the Canberra community. With that, we are ready to take questions.

THE CHAIR: I will start off with what should be a fairly quick question. Page 83 says that you have published for the first time an authorised and complete list of affected properties. My understanding is that it is designed to be a complete list so that tradies, tenants and everybody else, not just current owners, can know what is going on. My understanding is that it does not include the houses that were destroyed in the 2003 bushfires or houses that were demolished before the scheme. Is that the case? If so, when will there be a complete list—or will there be a complete list?

Mr Gentleman: The list is of properties that are affected. Of course, those that have been demolished are no longer affected properties because they are not there anymore. I will ask Ms Doran to give you some more detail on that.

Ms Doran: Just to be clear, there are two lists which we can talk about in this context. One is the public listing of all affected properties that is kept on the task force website. That lists the 1,023 identified properties that are affected with loose-fill insulation from the commencement of the scheme. It is correct to say that it does not pick up properties previously demolished prior to the commencement of the scheme. The purpose of that list is, as you stated, to provide information to the broader community about the affected houses, so that tradesmen can be aware and so that if a house that has not opted into the program is later sold on the market it is one of the matters that are transparent about identifying the affected properties.

The second list that is maintained is the statutory register of impacted properties. That is a dynamic list that records all of the properties at the commencement of the scheme

but reflects properties that have been remediated and deregistered from that list. That is the one that is showing at a point in time the affected properties that are still on the market or in existence.

THE CHAIR: If I want to find out about something that had been burnt in the bushfires, for instance, and it may or may not have been a Mr Fluffy, how would I find that out?

Mr Gentleman: You could write to me and we would investigate for you.

THE CHAIR: That would be the process?

Mr Gentleman: That is the only process I can think of at the moment.

THE CHAIR: Obviously, it is a pleasure to write to the minister, but it is possibly not a pleasure for the minister to receive lots of correspondence about things. Is there a way you are considering making it more publicly available? People have been concerned that they do not know, and they do not know how they can know.

Mr Gentleman: There are other aspects, too, in making lists publicly available. We need to balance what are the needs and wants of the community with the risk of other information that we do not need to provide that could be detrimental to previous owners—something of that calibre.

Ms Doran: Yes, it is a question that we have had raised before. We have done some work in trying to identify historically the properties affected by the bushfire that may also have been affected by Mr Fluffy. That is a difficult process because obviously the evidence is not live anymore. One mechanism that people can use is the building files for these properties, which should have recorded the installation of the Mr Fluffy. So it is a matter of going through the building file records to get that absolute assurance.

MS ORR: On page 82 it says that in addition to key milestones there are performance requirements that span the entire scheme, and it then outlines them. Can you give me a brief update on where you are up to with the scheme and how you are going against the performance targets you have set for yourself?

Ms Doran: The scheme identifies four main phases. There is the assistance phase, the buyback phase, the demolition phase and the sales phase. The performance measures are in those various phases, setting up an appropriate program for implementing each of those phases of the scheme. We are progressing well through those various phases. The assistance phase, while largely focused on the commencement of the scheme and providing information and support to home owners at that point, is a continuous process as the other phases of the scheme roll out.

We have established a personal support team. We use websites; we use letters and various social media mechanisms to constantly provide communication and up-to-date information to home owners and to provide them with an access point if they have any concerns or particular issues.

I can say at this point that the buyback phase of the program has officially been

completed, in that all home owners who chose to participate in the buyback program have now surrendered their properties to the ACT government. There are still processes going on in terms of settlement of some of those properties, but that phase is essentially completed.

With the demolition phase, which is in the high-activity stage at the moment, we have been progressing well—progressing ahead of our indicative schedules. That has been a consequence of innovation within the industry, gained efficiencies as we learn from experience, and also increased capacity within the industry to support this program. We are more than halfway through the demolitions at the moment, having completed some 600 demolitions of properties.

Finally, the sales phase commenced just before the middle of last year. We had a number of options through the last six months of last year and we have just recommenced that sales program this month. That sales phase is going into a more active phase. As you can imagine, as the demolitions come through the program and we move those properties through the deregistration processes and then take them into the sales phase, naturally we have the bulk of numbers moving into each of those phases. We have taken around 150 properties to the market through public auctions. We have another 100 going to the market in March and of the order of 250 that we will be looking to take to the market before the end of this financial year.

The other aspect to talk about is the first right of refusal process, which sits as a sub-element of the sales phase. A number of affected home owners chose to have the right of refusal on their block of land. That is a process that we work through with home owners. Once their property has been demolished, we reapproach them, see if they want to take up that option, once we can provide them with details of the valuation, and all of that happens before we can take the property to market. Obviously, that is a decision point before we move stock into the public sales process.

Mr Gentleman: Ms Doran mentioned communication with previous owners and the Canberra community. It would be worthwhile giving you some detail on that. The website was mentioned. There have been 378,516 views. With doorknocking, 1,180 neighbours have been doorknocked in 50 locations. There have been 60 editions of the newsletter, 192 cluster areas for mail-outs, and 30,160 total letters.

On social media there have been 718 posts and 1,048 page likes, with a total reach of 308,920. There have been 26 engagement events and 17 community council meetings. So you can see the amount of work that the directorate has been doing. There have been 150 direct responses on the moving forward survey, with 134 responses to the neighbourhood survey, and there have been 30,720 media mentions of Mr Fluffy as well.

THE CHAIR: Ms Doran, you were not here this morning. With the privilege statement—

Ms Doran: I noted it, thank you.

MS ORR: On the engagement with the community and moving through the different phases with the affected home owners, are you finding there is much engagement still

going on and what type of engagement?

Ms Doran: Certainly, the engagement process moves through greater and lesser intensity in the various phases of the program. It was very intense at the early announcement stages, as the information was new and home owners were coming to terms with what was a very difficult situation for them.

It slowed a little through the back end of last year, as most home owners had made the decision as to whether they would be participating in the buyback program or not. It is probably fair to say that it is now increasing a little again as home owners who have chosen the first right of refusal option are presented with that phase of the program and they seek support as they work through that phase. If you look at a chart or at the numbers, you certainly have a pattern, something of this order.

MS CHEYNE: Minister, you mentioned there has been quite a lot of doorknocking. Having done some doorknocking myself, not everyone is at home, so when you knock on the door and they are not at home, what sort of material is left and how is it left? Has there been a take-up rate, once they get that material, in responding?

Ms Doran: The doorknocking is one component of a range of strategies that we use, as the minister suggested. There are letters that are sent, there is the newsletter that is constantly updated and available, and the website always has up-to-date information. With the doorknocking, we would usually go with a package of materials. If home owners are not at home those materials can be left for their information, or a simple note that we doorknocked, and we mention the other options that are available if they want access to information.

The doorknocking also happens at various stages of the program. Sometimes it is our support officers who go out there into an area where demolitions may be commencing or where there is a particular clustering of demolitions. At the same time the contractors undertaking the demolitions have a responsibility to advise the closest neighbours prior to commencing any work. With that number of events there is a better chance that people will have the opportunity to either talk face to face or know where information is available.

MS CHEYNE: Do you ever get any feedback that someone was not aware until it started happening?

Ms Doran: I will not say no, because I am sure those occasions arise. I do know that we have feedback sometimes when the demolition schedule has changed and people have not been aware or have been surprised by changes in the schedule. We do everything we can to keep people informed, either face to face or to make sure that they are very aware of where information is available to them. But with a program that is complex, spread out and necessarily changing with circumstances, it is difficult to ensure that.

We do respond to learning in this area. For instance, with the demolitions we have implemented a process where we have a noticeboard now put up on the sites where demolition is scheduled to occur. That noticeboard is kept live, with changes to the dates and the timing, so that the close neighbours just have to walk down the street

and have a look.

MS LAWDER: Page 83 of the CMTEDD annual report talks about 4,000 letters to former residents and neighbours of affected properties. I think you had a different, more up-to-date number. Do those 4,000 letters and the doorknocking of more than 700 properties that relate to the full 1,023 or is that a subset of them?

Ms Doran: The letters would probably be covering all of the 1,023 at various stages of the program impacting them. Those letters will go out with details of the demolition, the indicative demolition schedule. That would go to all affected home owners. Letters would go out with information on the first right of refusal process when that becomes relevant to a particular home owner. The doorknocking is possibly more select, in that we target what we call cluster areas or areas where there is an intensity of demolition work happening.

Mr Gentleman: It is 192 cluster areas.

Ms Doran: That is right, yes. A cluster is where there are more than four or five houses in a small area.

MS LAWDER: If it is 4,000 letters, up to that point, at least, for 1,000 properties, that is only, very crudely speaking, four letters per property, for neighbours or previous owners. It does not seem like a lot of communication with affected neighbours.

Mr Gentleman: Many of the properties are within the cluster area. There are quite a lot that are adjacent to each other.

MS LAWDER: What do you classify as a neighbour? Next door? Behind? Across the road?

Ms Doran: All of the above.

MS LAWDER: That is at least four.

Ms Doran: For a property, we usually say there is an average of 12 neighbours, once you go either side, across the road and behind. And, of course, in a cluster—

MS LAWDER: That 4,000 relating to 1,023 properties does not reflect—

Ms Doran: No.

MS LAWDER: Plus there may be houses that have had two, three or four previous owners in that time.

Ms Doran: I have an updated stat here: letterbox drops and mail-outs across the cluster areas, 30,000 total letters. I will have to look at the statistic that you are quoting.

MS LAWDER: Yes. It is on page 83.

Ms Doran: It may be measuring a subset or it may be because it is at 30 June last year. It is a shorter period of time.

MS LAWDER: Thanks. I have a question on the demolition of a Mr Fluffy house in Darke Street, Torrens, some time ago. There were at least three workers, including a WorkSafe inspector, exposed to the asbestos dust on 20 August 2015. It was reported in the *Canberra Times* on 23 September. What long-term management of the health and wellbeing of those affected has the government been undertaking?

Ms Doran: The property you are referring to is not one that was part of the asbestos response task force program.

MS LAWDER: Yes, but at least one was a WorkSafe—

Ms Doran: It was a private demolition and, as a consequence, under the regulation of WorkSafe, a matter for WorkSafe to talk on. The issue is also currently under investigation, as I understand, so it is not possible to say too much today.

Mr Gentleman: What I might do, Ms Lawder, if you like, is take that question, go to WorkSafe, get the response and come back to you.

MS LAWDER: Thank you; I would appreciate that. Also, related to that, would you provide any information that was provided to neighbours or the nearby community about that incident. Thank you.

MS CHEYNE: Is there any data or are you keeping a record on who is purchasing the blocks when they go for sale? Is there any breakdown in terms of developers versus mums, dads, single people—the demographics of non-developer buyers, if the question makes sense?

Ms Doran: I understand what you are asking. In a formal sense, the data we would be keeping on sales is obviously the success rate on the sales through public auction processes or whether they are taken to over the counter; the time which they are on the market for; and the sale price. We are not as a matter of course keeping information on who has purchased the properties. We get anecdotal information, as we are attending the auction processes and seeing the people who are coming to those, seeing who is bidding and who is successful in the purchases.

MS CHEYNE: Anecdotally, can you provide a sense of it?

Ms Doran: It has been changing over time. I would have to take it on notice to get you up-to-date statistics. It has been varying between 60 per cent builders and 30 per cent citizens, you might say, and then flipping the other way: 60 per cent citizens and 40 per cent builders. Without committing to it, if you said it is around fifty-fifty at the moment, you would probably be fairly close. I will look to see what information we have on that.

MS CHEYNE: Thank you.

Mr Gentleman: Having been in the field before, it is usually, too, in the way that the agent presents the sale. It could be that they target a particular audience for that sale to get the best outcome for the territory.

THE CHAIR: Can I just ask a supplementary on the sales. You mentioned there are 192 clusters. If more than one block is sold next to another, there are potentially some different development outcomes possible. Are you looking at that at all? I am aware, as far as I can tell, that they seem to be being sold as individual blocks. I have had some representations from people who think this is potentially a waste of a good opportunity. Is this something you are looking at at all?

Ms Doran: It is. As I mentioned before, we are in a relatively early phase of the sales part of the program, and we are still learning and looking at our experience, getting advice from our advisers, which is through the LDA and through real estate agents who have been appointed to support the sales and marketing stage of the program.

To date, you are correct: properties have been taken individually to the market. We have, though, in our latest releases in March—I am not sure any of these have gone to the market yet, but they will be coming up to auction later in March—been looking at taking two adjoining blocks to the market as a single line. We are doing that in, I think, three different suburbs. This has come from advice from our agents that there could be interest in blocks in that form. They certainly present a different development opportunity. While they are being sold as a line, so they will be taken to auction together, they do remain as single titles.

THE CHAIR: Individual blocks, yes.

Ms Doran: And with their own sorts of DA requirements. What the developer then sought to do with those blocks would be his decision and would necessarily go through the planning processes.

THE CHAIR: Yes, I appreciate that. Where you have not been successful, in the auction process in particular, are you considering basically adding value to the community, giving it to the government for public housing? These would all be areas, I assume, where public housing would be welcome. Some of them probably were public housing when they started off their life, I assume.

Ms Doran: On your last point, we had five houses as part of the 1,023 affected properties that were public housing properties. Part of the original scheme design in the sale phase of the program was to take it to affected home owners who sought first right of refusal first. After that, it goes to government to consider if there is any opportunity for the government to take up the land. It then goes to the public sales process. To date, while there have been discussions with, for instance, the public housing renewal task force, it has not been the case that any of the blocks that we have had ready to take to the market at this stage have been suitable for their purposes. But that will certainly be a continuing element for the process.

Mr Gentleman: It is worthwhile noting as well that, whilst in the auction process the block may not sell on the night, there is then discussion with bidders afterwards, and there are a number of blocks that have sold from those discussions.

MS LAWDER: Are you able to provide to the committee the price paid for each block listing and the total amount that has been received so far from the public sale of Mr Fluffy blocks?

Mr Gentleman: The total amount, I think, is reportable pretty easily, but we would have to do a bit of investigation to get each individual price point.

MS LAWDER: I am sure you have that information.

Ms Doran: I think there is a question there about the privacy of that information. That aspect I will take on notice, although often there is—

MS LAWDER: Can you provide it to the committee. It can be maintained.

Ms Doran: Okay.

THE CHAIR: I would have thought surely not. There is the land titles system. Every week, the *Canberra Times* gives you auction results, so I assume that this would have to be public.

Ms Doran: I was going to note that.

THE CHAIR: If the *Canberra Times* publishes it, I assume it is public information, let us put it that way.

MR MILLIGAN: How many briefings have been provided to the ACT Government Procurement Board on the delivery of the scheme, particularly in relation to the demolition program?

Ms Doran: A number. I will wait for someone to flick to me, but I can disclose that I sit on the Procurement Board. I have sat on the Procurement Board for the last two years, and I have just taken on the role of chair of the Procurement Board. The task force presented to the Procurement Board, coincidentally, at its meeting this week. They are on our list to come back every six months or so, or at an appropriate stage as the program plays out. I would say they have presented at least three times, to my recollection, but we can get an accurate number.

MR MILLIGAN: Is there a threshold as to how many times they meet or present to you?

Ms Doran: A threshold? No, I do not think so. But, as I said, they are down to come back around every six months or if they consider there has been a critical change in any aspects of the procurement arrangements for the program.

MS LAWDER: I think the PAC report in the original inquiry recommended that there be presentations. Did the PAC report indicate a number of times per year, do you recall?

Ms Doran: I would have to confirm that.

MS LAWDER: You know the initial inquiry that I refer to?

Ms Doran: I do, yes.

THE CHAIR: This question is more about sales again. What did the task force tell affected home owners about the expected price and that, if they were interested in buying their land back, they had first right of refusal? What sort of information did they have so that they could do their budgeting and their decision-making as to what they wanted to do?

Ms Doran: We were very transparent with affected home owners that the first right of refusal option would be based on the market value of the property at the point of sale. At the commencement of the scheme, we foresaw this program rolling out over five years. There was a recognition that, while the buyback offer was at a point in time in 2014, the sale itself would be at market value at the date of sale. And it was recognised that the buyback option would not be a viable one for all home owners but it was something that affected home owners sought as part of the program.

THE CHAIR: Did you give them any indication what the price was likely to be, given that they are not property professionals and they are asked to make a decision about what prices are likely to be in the future? The task force, having done the valuation, presumably was in a much better position than the home owner to guess what the price was likely to be in the future?

Mr Gentleman: During the first part of the conversation with the affected owners about whether they want to take part in first right of refusal, there is some detail in there about how the valuations are made at that point and for them to receive that level of funds, if you like. But it could be a number of years before the property then goes to sale. It is very difficult to understand what the price could be in the future. Some of the bigger blocks, of course, sell well above what we will have expected. It is quite difficult at that time to give that appraisal but they are advised, of course, that the price will be different to the one that they accepted as the sale price.

THE CHAIR: You did not give them any indications apart from market values?

Ms Doran: Really, we were not in a position to.

THE CHAIR: I think some people feel that the price for their first right of refusal was considerably higher than they expected. There are lots of sources of angst in this program but that is one of the many sources of angst in this program. People thought: "Yes I can do this. I will save my pennies, rent for a couple of years." And then it turned out they could not.

Ms Doran: I think, to the extent we were in a position to give information to home owners, we have been transparent in providing those messages. We were not in a position to give specific details on valuations, partly because the task force itself had not been undertaking those valuations. They are undertaken independently. The valuations for the sale of a remediated block we did not know at the commencement of the program.

The sale of remediated blocks of this form is really a somewhat unique product to the market and there was not a well-established understanding of what the valuations could be, what the demand would be. They are unique properties in that they are in established suburbs with all of the amenities. Every property is inherently different as well.

I think the message we were able to send in the early phases of the program was that it would be a market valuation. It would be at the time that it went to market. It would be an independent process that determined that valuation and that one could expect safely that the sale value of the land would be above the unimproved value of the land, which is an indicator that a lot of people took as a possible marker. I think we always knew that it would go at a premium to unimproved value.

THE CHAIR: Did you give people any idea of that premium? Could you maybe take on notice what sort of premium they have gone to from the unimproved capital value? Naively you would assume that once the house was removed you have the unimproved capital value. You would figure it was going to be that plus a little.

Mr Gentleman: I would caution going into that detail at this time because there are a number of blocks that need to be sold. If one were to say, “It realised five per cent over the unimproved value,” then purchasers are simply going to look at the next available blocks and go, “That will probably sell for five per cent over the unimproved value.” So I think we need to be a little careful with the release of that data at this time.

THE CHAIR: I guess the issue is for the affected home owners trying to work out what they should do with their life and having some idea what sorts of prices they might have to pay. I hear what you say but you do not necessarily release it to the market but at least release it to the people who are waiting to see if they can afford to buy their block back; give them some idea of what they are likely to have to pay.

I have been told that there was a commitment made by the task force to actually provide the first-right-of-refusal people with a repurchase price six months prior to demolition. Was that the case?

Ms Doran: That was a—“commitment” is probably too strong a word—position that we thought would be the way that the program would play out earlier in the process. It was originally how we thought we would be able to advise home owners. As with a lot of aspects of the scheme, we have learned from doing and we have sought to improve processes as we do learn.

We realised in that process that the demolition processes moved quicker than we thought they would. That six-month lead time often was not able to be managed with any certainty. More importantly, to get a true valuation of the property really required the demolition to have occurred for the valuers to be able to see physically what was left on the property and the state of the property.

In saying that, what I mean is that the demolition took the affected primary residence from the property, but often you had very well established gardens left, you could

have pools left, you had free-standing garages left on the property. You had retaining walls and that. So to get a true indication of the value to be able to give the home owner best information so that they can make a judgement, we realised that doing the valuation post-demolition was the best approach.

In fact in the early phases, as we tried to work through this process with home owners, we found that the very fact that the property had not been demolished led to an uncertainty on their part as they were not sure what would be left. They were not sure how they could make a judgement on whether they wanted to stay or not until they had seen the demolished product.

It has really been a learning experience through the scheme. We have revised that process. We have been transparent about that with home owners, and we now seek to provide them with a valuation at a point in time when the property has been demolished and they can see more clearly what the remediated property looks like, and we can get a fair valuation on the property to give them the best information at that point in time.

THE CHAIR: Do you provide them a valuation report or any way of objecting to it? We as property owners can object to the UCV if we are so inclined. Do they have similar sorts of rights?

Ms Doran: We do not, as a matter of course, provide them the valuation reports. We do provide them, for information, the two values that are received and we do get two independent valuations for each property.

MS ORR: Picking up on something that you were talking about there, you were saying that it has been a learning experience as it has gone on. What processes and procedures have you put in place for reassessing the implementation, and how have you been working with affected home owners as changes come up? I would be interested to know a little more about that.

Ms Doran: There are probably a number of things I could talk to here. We have certainly been very conscious, through the program, of monitoring ourselves, I think you might say, in that we have a fairly formal governance structure, we have a steering committee with senior representation from across directorate, and all major decisions and processes are taken through that committee for an independent strategic oversight.

We have undertaken a number of internal audits. We have initiated independent auditors to come in and assess elements of our program as we are implementing a new phase or a new process. We have supported the Auditor-General in having three audits of the program, one of which has been completed at the set-up phase. We had an audit of the governance, risk and financial management framework as it was established. We have two subsequent audits scheduled for the implementation phase of the program. The end phase, in terms of the performance and the outputs, is certainly a process we welcome and we get value from and learn from.

In terms of working with home owners themselves, I think that is a very dynamic process in that we have been very committed to establishing networks of

communication and support, having avenues where home owners can provide their views and comments and we take all of those on board and look to respond to them initially but also learn from them on ways in which we can adapt or improve the program going forward.

MS ORR: Can you outline for me what the avenues for home owners are? I think you have spoken about ways you have engaged with home owners. If the home owners have a specific issue that they want to raise with you, how can they get in contact, as opposed to the information you have given them?

Ms Doran: We have a personal support team established within the task force, and each home owner knows their personal support team member and, I think it is fair to say, has a relationship with their personal support team member. There is a very direct and immediate line of contact there available to affected home owners. It is something we reinforce every time there may be an issue or we release new information. We always reinforce to home owners that they can contact their personal support team member, with the phone numbers and webpage. There is a Facebook page as well for people who work in that way, and they can make that contact through that medium.

Mr Gentleman: It might be worth while to provide for the committee some more information on that personal support structure. We had 48 affected household members attend tailored home owner recovery workshops, and they were delivered by a clinical psychologist and a community recovery expert. The session was held for front-line community service workers from OneLink, Headspace ACT, COTA, Northside Community Service, Belconnen Community Service and Woden Community Service, and there is ongoing community partnership agreements that have been renewed with the Capital Health Network programs new access and health in mind, and that includes also the referral to Relationships Australia for the span of the scheme as well.

Engagement continues with front-line community services to educate about and discuss the scheme and the affected client experiences of relocation, to help improve that engagement experience as well. There is quite a bit of work that occurs in that support structure.

MS LAWDER: Going back to the 1,023 properties, does that include that at that point there were 24 affected owners who had elected not to participate, or is that in addition to the 1,023?

Ms Doran: No, that includes that number, and the current number is 27—

MS LAWDER: 27?

Ms Doran: owners who have formally elected not to participate.

MS LAWDER: Have any of those 27 affected owners elected to take up the land rent scheme?

Ms Doran: The 27 who have not opted into the scheme would currently still be living in their properties.

MS LAWDER: Not all of them.

Ms Doran: Well, they have opted not to buy into the scheme, which means that their properties are not scheduled for demolition. I am sorry; I do not see the connection to the land rent scheme.

MS LAWDER: That is all right. We have already spoken about those owners who might have indicated that they wanted to take up the first right of refusal. Is that the right terminology?

Ms Doran: Yes.

MS LAWDER: What percentage indicated that they wanted to take up that option, or how many, if you do not know the percentage?

Ms Doran: Yes, the percentage is easier for me. It was around 70 per cent who indicated that they wanted to have the option to consider whether they would buy back their block of land. We have found through our experience to date that only about 16 per cent are actually taking up the option.

THE CHAIR: Can I just check: that is 16 per cent?

Ms Doran: Yes.

MS LAWDER: Have you drawn any conclusions from that, the difference between 70 per cent and 16 per cent?

Mr Gentleman: I can make a comment on that from direct interaction with a number of Fluffy home owners who have relocated after the purchase. It is that they feel quite settled in their new properties. After selling the affected house to the government, they have then moved on, purchased another property and moved into that property. They now feel quite settled and do not feel the need to move back.

MS LAWDER: You do not feel it is about the price?

Mr Gentleman: Not in the interactions I have had, but there may be others.

Ms Doran: There will be various elements and considerations for different people. We would have to acknowledge that price would be one issue. We said before that we were transparent at the front, that buyback would not be a viable option for all the home owners. But I think we can also say that if you look back to the history of the bushfire incident in Canberra, we saw a very similar sort of experience there. Initially the affected home owners indicated that they would want to go back and build. But the reality, after time had elapsed, was that it was of the same order—around 16 per cent—who actually chose to rebuild in that area.

We also know that home owners were provided with a stamp duty concession as one of the benefits offered by the scheme. To date, some 650 home owners have used that concession. That is not to say that they will not still choose to buy back their block of

land, but they have at least repurchased and to some extent resettled in the new property.

I think what we take from this is that most home owners at the point of having to move out of their home, if they were asked, “Do you want the first option to buy it back,” would say yes at that point in time. So it is the elapse of time, the changing of circumstances and considerations that then play out in practice.

MS LAWDER: Just on those people who elected not to participate in the scheme, we had a case recently of a property in Lumeah Street in Narrabundah that had been sold. Someone was apparently close to demolishing it. There had been a DA lodged. How is it that there appeared to be a disconnect, that there was not some red flag raised about that property in the DA process?

Ms Doran: Yes. Again, it is important to note that while a DA had been lodged, without clearly identifying in the DA itself that the property was an impacted property, there were a number of other mechanisms in place. In fact, no demolition work commenced on that property. The system worked—you may say not perfectly, but it—

MS LAWDER: A neighbour rang up.

Ms Doran: A neighbour rang up, yes. That has been one element of our framework in being transparent, open and establishing contacts with neighbours. The fact that that work did not in this instance occur I think we take as a positive. But there are a number of mechanisms in place in the regulatory frameworks to ensure that the properties that have opted out of the scheme are clearly identified.

MS LAWDER: Such as? Can you give some examples?

Ms Doran: Initially there is a statement on the title of all of the affected properties identifying them as affected properties. There is a requirement on the home owner to disclose the property as an affected property.

MS LAWDER: I think those had already taken place in this instance.

Ms Doran: That had been done, yes.

Mr Gentleman: There is a notice on the electricity meter.

Ms Doran: That is right. The electricity meters have to have a label on them. The private certifier, who is the professional who would certify the demolition process for the property, has to check whether the home is on the affected register. Part of their processes should be to look at the affected property register, which is the statutory register that we mentioned at the beginning of the session, and identify from there that this is an affected property. From there, WorkSafe, the regulatory framework, has mechanisms in place that say how such properties can be demolished and the fact that they require a licensed asbestos assessor and asbestos removalist involved in that demolition process.

Again, we are looking closely at what happened in this situation. We are revisiting the processes and the mechanisms in place, but there are certainly a number of triggers within the regulatory framework that should protect against this happening.

MS LAWDER: For example, what if that neighbour had been away for a week? What do you think might have happened?

Ms Doran: The DA was still out for public assessment, so the DA—

MS LAWDER: On the face of it, it almost looked like he was about to start demolition.

Ms Doran: The developer had moved in some equipment. But, as I said, the DA had not completed its public disclosure period. In effect, he could not have commenced—or he should not have commenced—those works ahead of that happening.

MS LAWDER: Will you continue to look at your processes to see if there are any improvements that could be made to prevent something similar from taking place?

Mr Gentleman: If I can step in, as the task force has communicated right throughout the process, it has been a learning process for the task force, for the community, for government as well, because this sort of thing has not happened before. All of those learnings have gone into how we deal with the community in particular. They are very important learnings for us, should anything like this happen in the future. But, more importantly, I think they are learnings for planning and community consultation as well. All of those will be taken on board, for sure.

Ms Doran: This is an aspect that obviously goes out of the direct remit of the task force and looks at mechanisms in other areas of the regulatory frameworks and responsibilities within other directorates. As a consequence of this event, we have established discussions with those groups and we are working through the processes. We will look at what can be done to improve going forward.

MS LAWDER: I will continue my questions on people who elected not to participate. Would those owners be included in the health studies?

Ms Doran: I would have to confirm that. It would be my strong expectation that, yes, they would be.

MS LAWDER: Are they able to get support in any way from the task force, even though they have elected not to participate in the buyback?

Ms Doran: Again, I would have to confirm that. Certainly at the point where they were considering whether they would opt in or opt out, they would have had full access to the services of the task force.

MS LAWDER: Thanks.

MS CHEYNE: How many calls has the personal support team taken over the life of the task force?

THE CHAIR: If you like, you can take that on notice rather than spend a lot of time finding it.

Mr Gentleman: Yes. We will come back to you with that detail; sorry.

MS CHEYNE: Okay. Anecdotally, has there been a change in the types of calls you are receiving as the program has moved from people vacating their homes, through the demolition, to now the sale of the blocks and some of the issues that my colleagues have talked about, including people potentially wanting to buy their blocks back but not being able to? Have the types of calls changed as a result?

Ms Doran: The focus of the calls has definitely changed as they have moved into different phases of the program. In the early stages they would have been: “What is the buyback value that I am going to get for my house; what support can I get; what are the health risks?” et cetera. At this end of the program it is much more about the first right of refusal. “How is this going to work? When will I get the valuation? What is the valuation?”

The nature of the calls obviously changes, in terms of the content, given the phase of the process that home owners are involved in. Anecdotally, I would say that there is more intensity of calls about the understanding of the scheme and needing to work through the impacts of the scheme for affected home owners. Obviously, it is a very significant issue to deal with your home needing to be demolished, your needing to move away from your home and just how you manage all of that. I think that intensity was much stronger in the early phases.

MS CHEYNE: How long will the personal support team continue? Will it continue to offer that support and that line of communication in years or months to come?

Ms Doran: That is a very important issue and one we are very aware of. The task force itself is a time-limited construct. But we are very aware of not just the process, and that the impacts on people do not end when we might pack up shop at some stage. The personal support team has always worked in close coordination with community expert groups and other organisations. We will be doing a lot of work over the next few years.

This is not an imminent issue, but we are already pre-planning for this and ensuring that there is an appropriate transition of those processes and an appropriate passing on of knowledge and experience—information about particular home owners and their circumstances—so that that is all captured, so that networks are in place to pick up this support for home owners and that they are advised and are comfortable in who they will go to if they need support into the future. It will not be the personal support team within a task force forever, but there will be other mechanisms in place.

THE CHAIR: Thank you. It is now just past 12 o’clock. Unless members have any absolutely burning questions, thank you very much, asbestos task force. We move on to urban renewal.

Short suspension.

THE CHAIR: Thank you all very much for attending. Thank you, Minister Gentleman; this is your third appearance for the day. You are now here in your capacity as Minister for Urban Renewal. Before we start with questions, can I draw the attention of witnesses to the privilege statement and confirm that you all agree with it? Minister, do you have an opening statement?

Mr Gentleman: Thank you, chair. Yes, we all acknowledge and agree with the privilege statement. Thanks for the opportunity to discuss with the committee the work that the government has been doing to build on Canberra's future as a vibrant, inclusive and connected city. The 2015-16 period reaffirmed that Canberrans are seeking a confident and self-reliant city which can stand on its own. So we are no longer that provincial town; we are growing and meeting the challenges of the 21st century while retaining our unique identity and everything that was great about the Canberra of old.

A strong program of urban renewal and revitalisation creates a vibrant and dynamic environment to support the city's growing population while maintaining a compact and sustainable city with strong neighbourhoods full of identity and character. Both the community and industry are strong advocates for these outcomes.

The government is responding to the community's calls for a wider range of choices in how we live, including denser housing options close to amenities available in town centres and along transport corridor routes, with more options to live close to work, but surrounded by high-quality public spaces too. Urban renewal is an ongoing process. Successfully done, it brings together the old and the new to benefit and enrich both of those areas.

During 2015-16 the government continued its program of renewal and revitalisation. Priority projects, such as public housing renewal, are seeing old and environmentally inefficient sites sold so that they can be redeveloped to offer Canberrans better opportunities to live, work and play in and near the city. We are progressing increased housing choice along Northbourne Avenue through the sale of older, ageing public housing complexes, which will provide Canberrans with an opportunity to live in modern, environmentally efficient and well-planned developments close to transport networks and one of our key suburban and urban corridors.

Further boosting economic activity and urban renewal will be the development of the new ACT government office blocks in Civic and Dickson. A site in the city that was sold will now be redeveloped with the new Civic office building, together with commercial offices, a boutique hotel, cafes, a gym and extensive landscaping. Development of this site will assist in the renewal of the city.

The city to the lake project will also transform the city and provide a link between Lake Burley Griffin and the city. Design work is progressing for the West Basin waterfront at Parkes Way and construction of the West Basin boardwalk is already underway.

The land release program is crucial to urban renewal and includes sites in established suburbs and town centres. The development of the Kingston foreshore cultural

precinct, which is section 49, will provide an arts and cultural experience that can be enjoyed by all, both residents and visitors, into the future. This will be a vibrant space for everyone to benefit from.

A development proposal for the Yarralumla brickworks precinct was released, and a new, innovative model for community consultation was undertaken as well. A community panel was formed and contributed to the establishment of a set of precinct objectives which informed the tender. So we are now taking an innovative approach to community consultation and seeking the community's input on how we can shape Canberra into the future and how the community wants to see Canberra in the future as well.

It is not just about the building and landscaping; it is about communities and people as well. The city activation unit was established and is now responsible for delivering the government's city action plan. This involves an ongoing conversation with the community about how the city can change and renew, as residential living increases, and what we can do to improve the public realm in the city.

Thank you for giving me the time to provide you with that update, and now we stand ready for questions from the committee.

THE CHAIR: Thank you. I would like to talk to you about the Northbourne Avenue renewal, particularly the public housing sites and the MVR site. How are you making sure that these redevelopments will be genuine, transport-oriented developments and provide maximum support for light rail?

Mr Gentleman: It comes from the learnings that we have seen in other jurisdictions that have renewed along light rail corridors; there are very important learnings there. It is important that we are able to provide the opportunity for people moving into the area to access the light rail and public transport options that we are trying to provide for them. With that we also see the opportunity to provide a denser and more exciting living opportunity.

THE CHAIR: On parking, in particular: will you be looking at adjusting the parking requirements for these buildings? I know there are places in Melbourne where there is a maximum with respect to the car parking provided. Given that you will have developments that are within 100 or 200 metres of a light rail stop, are you looking at doing something like that?

Mr Gentleman: This will be under the remit of the newly announced city activation unit and city renewal authority. It is important that the work they do folds into that ability to encourage people to use more public transport and active transport. During the process of that planning work, they will be looking at those particular options.

THE CHAIR: So you have not done any work on that yet?

Mr Gentleman: Certainly, the planning directorate has been working on active transport and transport-oriented design for urban renewal. That work continues. It will now move into the new authority that was announced. We will continue that work, and there will be an opportunity to move into more transport-oriented design.

THE CHAIR: This might be a question for someone else: will there be a requirement for affordable housing, given, as we all know, that the housing there before was public housing and very affordable?

Mr Gentleman: Indeed. Affordable housing is a policy right across the ACT, not just for the corridor. Certainly, we need to ensure that we can provide the best opportunities we can in that precinct. We saw some fantastic results from working with different groups when we did the delegation tour last year. A really good example of that was in Seattle, in an arts precinct. Two arts theatres were approached by a group that is very similar to CHC in Canberra. They said, “Is there an opportunity for us to work with you and provide even more affordable housing?”

The outcome was a much better building space above where the artists used to reside, with brand-new theatres for the artists, brand-new breakout rooms, administrative areas on the first level and very affordable housing above that. So they used the space above what was an original arts precinct to build the affordable housing, and the result was fantastic. There are now people that are not in need of affordable housing but who want to move into the arts precinct. I think that is a good result and good learning for us.

THE CHAIR: As Mr Collett has come to the table, I will ask this question: there was a design competition for the replacement of the Northbourne Avenue flats some years ago, while I was in my first incarnation in the Assembly. That appears to have died or disappeared. What happened? There were some great plans.

Mr Collett: Yes, of course, Ms Le Couteur; your memory is correct. There was a very successful design competition for the Northbourne flats, the Northbourne accommodation adjacent to Haig Park. The winning entries and some of the other material have been kept active. They have been passed to the Office of the Coordinator-General and are being considered in the estate development plans and the sales documentation for that stage of the Northbourne Avenue works that are going forward.

THE CHAIR: Very good. I have a final question on this particular development. I understand that the new road from Dickson to Northbourne Avenue is a compulsory acquisition that has not yet been finalised. Is this a problem?

Mr Gentleman: I think you have summed it up in one: it is not quite finalised. It is a process that we need to go through, during compulsory acquisitions. It is not my portfolio. That process is still being worked through. We hope to have that finalised shortly. But the work has begun.

THE CHAIR: You cannot say any more because it is not your portfolio.

Mr Dawes: No; it is not one that we have been directly involved in.

MS ORR: I have a very simple question. What are you doing about Haig Park improvements?

Mr Gentleman: I will pass over to Ms Lopa to give you all the detail on Haig Park.

Ms Lopa: Our work on Haig Park is twofold. With respect to work underway at the moment, you will see some site fences there; that is really about safety improvements to the park. The government appropriated funding for improvements to Haig Park. We are looking at lighting upgrades and straightening paths, making them wider, so that there are better view corridors through the park for passive surveillance and people's safety. We consider those to be very important, and they are underway straightaway.

The second tranche of work which is related is a new master plan for Haig Park. We have started the consultation with the community on what we want Haig Park to be in the future. Obviously, Haig Park will be surrounded by increased density. We have light rail. With what the community is telling us so far, the one word they are using to describe Haig Park is "underutilised", and we agree with that. "Unsafe" and "wasted" are other words they are coming up with.

We are working with the community on a master plan—what they want to use the park for, how we could make it better utilised and what they would like to see. It has started a fantastic debate on social media. There have been over 400 comments so far on what people want to see in the park, which has been really great. We have held a community consultation down there. About 50 people who were walking through the park talked to us about what they liked about the park and what they did not like.

The trees are the number one thing everybody wants to talk about. The opinions range from "knock them all down" to "change the species" and "keep them all". Obviously, they are heritage listed, so what we can do with them is pretty limited. So far the conversation with the community has been great; everybody really wants to be involved. We have a workshop next week or the week after and 70 people so far have RSVPed to that.

That master plan will feed into our development control plan via the NCA. It is an area of significance for them under the National Capital Plan, so they want a development control plan before anything else changes in Haig Park. That is the end goal—to get the NCA to agree to do a development control plan, and then invest in Haig Park.

MS ORR: Going to the heritage properties of the trees, can you run me through what you can and cannot do, given the controls that are in place?

Ms Lopa: My understanding—and I am not in the heritage unit—from our conversations with them is that it is the pattern of the trees that is heritage listed, because of the history of Haig Park as a windbreak in the early days of the city, and the species. So it is not the actual tree. The actual tree can come down but it needs to be planted in the same pattern and in the same species as the one that came down.

We did get the approval of the heritage unit to remove a couple of trees in order to straighten up paths, using the argument that meandering paths are not good for safety et cetera. There are things you can do with the trees, and we are exploring conversations with heritage about undercutting and getting the branches up so that it creates a better feeling of safety and space for people to do things. The conversations

with the Heritage Council are being had and will be had as we get more community feedback as well.

Mr Gentleman: There was some discussion at the beginning of last year about the name of the park. Some residents called for a change of name due to the history of the person that the park was named after. However, I can assure the committee that the government is not considering changing the name. The place names committee reassured us of their original decision in naming Haig Park.

MS CHEYNE: I have a supplementary question about the interactive map that you have on the Your Say website. Have we used an interactive map for consultation before?

Ms Lopa: Yes, we have. We have used one on city to the lake before, on the waterfront. We allowed people to drop in comments about what they wanted to see on the waterfront. I am not sure, but I think that might have been the first time it was used. It was a very new technology. That was a couple of years ago or a year ago. It has certainly been very, very popular on the Haig Park project. Lots of people are able to drop in a comment and pinpoint what they are talking about. It has been very popular with the community.

MS CHEYNE: Is there an easy way to collate this information that works well with how you are doing it with your face-to-face meetings and your workshops?

Ms Lopa: Yes, absolutely. We are seeing a real connection between when we do face to face and then an increase in comments. It is almost like the people you are speaking to face to face then pop home, get on their computer or on their iPhone and pop in a comment on the record. It is easy to collate and we will bring all of that together in a consultation report too that will really form how we then do the master plan. Obviously, consultation does not stop. When we collate all that and come up with a master plan, we will then go back out and consult on a draft master plan and talk to people then.

MS LAWDER: I have a couple of questions about the city action plan and the city activation team. Can you give a bit of an outline of the work of the city action plan and where it is up to?

Mr Gentleman: Yes, I can. The city activation unit, within the office of the coordinator-general for urban renewal, was established in September the year before last, 2015, and the action plan was launched in August last year. It outlines the government's vision for a Canberra city centre and the supporting actions. They include a 24-hour economy, an active, diverse street life, a city that inspires pride, a city to celebrate, an attractive city, a fun and lively city, a safe and accessible city, and easy connections for pedestrians, cyclists and commuters—quite a wide variety of actions that are needed to activate the city. Community engagement is an integral part of the activity during that process. We are asking for community feedback to inform us of future projects and events within the city and the immediate surroundings.

MS LAWDER: How are you going to measure that work on safety and the economy et cetera? What measures or accountability indicators are you going to use?

Ms Wilden: We are taking a slightly different approach to the community engagement. Instead of saying, “We are just going to have one conversation, collect all the information, do all the surveys,” we have said from the outset it is iterative. It is about saying, “We are going to try activating a space.” Take, for example, the backyard experiment in Garema Place where we had yarn bombing and colours and chairs that did not get stolen.

What we do is go and survey people as they are moving through the area to see what reactions they have to the ideas that we try and then we take that back to inform what will be the next stage. We are currently planning another activity in Garema Place to say, “We need to get to a point where we understand what the permanent change would be.” A lot of that is about the needs of the business owners, the needs of the people who work in the city, the needs of the people who come to shop or eat or drink or whatever.

For each activation we do—whether it is through giving a grant to someone like the Institute of Landscape Architects to run an activation or whether it is something we are running primarily from within the unit—we will work out what it is that we want to learn, given what the space is and what we are trying to do and then collect information through the Your Say website and have people on the ground doing surveys at different times of the day to understand what people feel about the changes we attempt to make. That then gets brought back to inform advice to the government on what you might be wanting to do. There will come a point in the process where it is not just about a single activation.

The first year really has been focusing on the spaces we know people want to use but are not really feeling comfortable in, working on those in a very discrete way and then starting to put them together, moving to another space, so that we can have an understanding of the key public realms that you are probably going to have to look at either doing improvement works to or changing what can be done around them. That is the sort of stuff that will feed into the long-term policy work in the city.

MS LAWDER: How many staff are in the city activation team and what are their classifications?

Ms Wilden: There are currently four staff. There was only one previously. We have a senior officer grade B who is the manager; we have a senior officer grade C who works primarily on organising the interactions with community groups and with people wanting to do activations in partnership with us; we have a grad who has now come on at the end of her program as an ASO5; and we have one ASO6 who was originally shared between two teams—because we have a fairly eclectic mix of responsibilities in the office—but the work of the activation unit was considered to be a high priority because we want to keep the community interest going so that we can continue the conversations.

MS LAWDER: Do you use consultants as well?

Ms Wilden: Limited, very limited. I guess it depends on how you would see someone like the Institute of Landscape Architects, to whom we gave a grant to do the

activation in Haig Park and Garema Place, but at the moment we do not have consultants. The work is actually done with other directorates, in particular the city presentation area of TCCS, and we also have worked to get better coordination with In the City Canberra, which administers the city levy. So there is a lot of work going on in those areas and, with the knowledge of where we are at, the engagement of consultants really is not needed.

MS LAWDER: You mentioned working with the private sector and the shop owners et cetera. Is there still that Canberra CBD organisation?

Ms Wilden: That is In the City Canberra, yes.

MS LAWDER: And how do you work with them?

Ms Wilden: We have observer status on their board and they have a monthly board meeting. They have a funding and performance agreement with the government that we administer. We oversee that agreement to make sure that we are getting the reports on how the money is expended and understanding how it is expended. One of the elements of that agreement is to run a grants program. While we might do some specific activations like Garema Place, they also go out to community groups, offering to provide grants to do things other than the Multicultural Festival or skate in the city, so that we have got more commercial events. We have also got opportunities such as arts and other activities that they will fund within the city centre and also down in the Mort and Lonsdale streets of the Braddon area, because that is part of the levy area.

Mr Gentleman: Whilst we are involved at that level, at directorate level as well—and thanks to Karen for the work she puts in with that group—the government meets with them at different levels as well. I met with them at their last meeting and I understand the Chief Minister has met with them recently as well.

MS CHEYNE: I want to ask some questions about the asset recycling initiative. We were the first to sign up for this initiative; is that right?

Mr Gentleman: Correct.

MS CHEYNE: What were our reasons for putting our hand up first?

Mr Gentleman: Urban renewal I think is the best answer, but I will ask Mr Dawes to give you the details of the asset recycling initiative.

Mr Dawes: We will do a bit of a tag team here as well. One of the key things that we did with the asset recycling was that we worked right across the whole of government—Treasury took the lead in this particular project—and we looked at what assets we could dispose of, how could we improve the city and also create some economic stimulus, because that was a key part of this as well. That is actually one of the outcomes that the commonwealth wanted. They wanted to create jobs and other opportunities.

We obviously came up with a number of sites that we could put into the mix—a

number of public housing renewal sites, some commercial office spaces that we had as well—and we have already received some payment for that. That was based on what the values of those assets were at that particular time. We received half of that 15 per cent bonus. As we sell the sites—and we have until June 2019 to complete that sales program—we will then pick up the balance of that 15 per cent as we prove that we have sold it and received the money. Liz Lopa might like to go into a little more detail.

Ms Lopa: I think the agreement on asset recycling is really multifaceted as far as a benefits approach is concerned. Whenever you can get a program where the commonwealth will contribute to the territory, that is always a good thing. There is a financial benefit there, but I think that there is an urban renewal and economic benefit to the recycling of these properties and obviously a social benefit as well where we have been able to get a program underway that sees some of our most vulnerable housed in new housing and at the same time sees the renewal of important areas of Canberra. The benefits from the asset recycling initiative are multifaceted in that way.

MS CHEYNE: Do you have a full list of everything that has been asset recycled and is there anything more to come?

Ms Lopa: The program runs until 2018-19. I can get you the full list of properties on it. At the moment we have sold Allawah Currong section 52 in the city. That was an asset recycling initiative sale. What we call Dickson on Northbourne, which is the Dickson flats, the visitor information centre and Karuah flats along Northbourne Avenue, have been sold. We are out to tender or assessing tenders at the moment on the motor vehicle inspection station in Dickson, on Northbourne Avenue, and are currently in community consultation and just about to lodge an EDP on Red Hill. We are going well through the program but there is still more to come before 2018-19. We can provide that breakdown to the committee.

Mr Dawes: In addition, we are out with an expression of interest for the Lyneham side of Northbourne Avenue and we have an expression of interest out for the Dame Pattie Menzies building as well.

MS CHEYNE: How do you select the infrastructure to be part of the initiative? Some, I suspect, are kind of obvious in that they are old, but are there other reasons?

Mr Dawes: As I mentioned, it was a whole-of-government look, including Treasury, into what assets we needed to revamp and put out to the market. Obviously, as Ms Lopa has pointed out, a number of the government flats were very, very ageing and costing a lot as far as maintenance was concerned. Being able to provide new accommodation for those vulnerable people was an important driver.

We knew that the motor registry was coming to the end of its life as well. You might be aware that we have built something out at Hume as well. We took an expression out there for that to be relocated. We have entered into a 10-year lease with a firm there to take the pits element of the motor registry, for both trucks and stolen vehicles and potentially for the re-badging of vehicles as well. There was a pit requirement there. With the way technology is moving and when you look at what is happening in other jurisdictions, a lot of the motor repair organisations carry out those sorts of

inspections for the motor registry. That is why we have entered into only a 10-year agreement out at Hume. Then we will see what happens.

With the intent of the light rail project going along Northbourne Avenue, there is the opportunity for a bus interchange with the light rail at this particular point in time. That is something that we could do. The government made a decision around a hub and spoke for government accommodation in offices. As you are aware, we have built something out in Gungahlin recently. We announced the successful tenderer for a government office here in the city. The next one that we are working on is Dickson. That will also have a government office element and some mixed use there. That was what we tried to achieve. That was the list that we came up with. It could have been more extensive but, again, we felt that that was a very good start.

Mr Gentleman: On personal reflection, thank you to the team for selling the motor registry at Dickson—hundreds and hundreds of hours of frustration for me over the years. It is good to see a good result in the end!

THE CHAIR: I have just been told there is an article in the *Canberra Times*—and I have seen it—which suggests that you are resigning. I assume this makes no difference to today's proceedings.

Mr Dawes: No, nothing at all. I am still a public servant until the day I finish.

THE CHAIR: Thank you.

Mr Gentleman: Thank you for raising that.

THE CHAIR: I was texted about it and I thought, "This has got to be his last appearance here."

Mr Gentleman: I advise the committee and, of course, everybody listening that Mr Dawes has indicated that he will not continue in any of the new roles that the Chief Minister announced the other day. With that, I want to give him my heartfelt thanks for the work that he has done for the ACT community over many years and wish him all the best in the future.

Mr Dawes: Thank you.

Mr Gentleman: He is still ready to take some questions, though.

Mr Dawes: It is my last hearing.

MS LAWDER: On the asset recycling initiative question, I understand from a media article last year that there was asbestos found in the Currong apartments and that the cost increased from \$3 million to \$6 million and more recently to \$14 million. Can you give us an update on where the final cost currently stands?

Mr Dawes: Yes, certainly, and Ms Lopa can give you the finer detail. Our pre-tender estimate for that particular project was in the order of \$6 million to carry out the demolition. One of the key things—we have checked and we have done a lot of other

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checks in a lot of the buildings—is that this was a very old building with a unique construction methodology. Once we started getting in and stripping out the internal, we found concrete panels. They had drilled through those panels and lined those holes, as it were, and the pipes that ran through those walls, in asbestos lining. That meant that we had to treat that as contaminated material rather than crushing that material and taking it out to the concrete recyclers. That increased the cost in the way we had to handle that material, and that ended up being closer to \$14 million.

MS LAWDER: And that is where it currently stands?

Mr Dawes: My understanding is that—

MS LAWDER: What does that mean for the asset recycling initiative and your expected profits?

Mr Dawes: It does not have any impact on that element; it goes off what the gross sale of that asset is. We got \$47 million for that particular asset; we get our 15 per cent on top of that \$47 million.

MS LAWDER: How many trees were removed during the demolition of the Currong apartments?

Ms Lopa: I will have to take that on notice.

Mr Gentleman: Yes, we will have to take that on notice.

Ms Lopa: There were protected and listed trees that have been left on the site, but I will take on notice how many were actually removed.

MR MILLIGAN: My question is about finding out what roles this department, urban renewal, have in the city to lake and West Basin project?

Mr Gentleman: I am sorry; I missed the first part of that, Mr Milligan.

MR MILLIGAN: What role does this area, urban renewal, in this department have in the city to lake and West Basin project?

Mr Gentleman: Currently it has control in that area. However, the announcement just the other day from the chief indicates that the new city renewal authority will take over that role. It is a matter now of proceeding with legislation and discussion with members of the Assembly as we move forward with that legislation to see the detail of that.

MR MILLIGAN: Do you know what the budget is, or will that change depending on where it heads from here?

Mr Gentleman: In early conversations, we see no change for staff; they will transfer across at level. That is very good, I think, to ensure that we continue to employ our staff at the levels expected. As to costs, that will be a matter for us to look at, with regard to the detail in the legislation and how we pursue the authority.

MR MILLIGAN: Who is responsible for this transfer, this reallocation, and how long will that add to this whole project in time?

Mr Gentleman: We do not see a time line change for city to the lake in this process. In fact, it may well speed it up. In relation to the plans and the negotiations that have been occurring with NCA, there should not be any time line change with that. The legislation will be introduced very shortly and we hope to have it passed by 1 July to implement the new authority.

MR COE: What about how much has been spent to date on city to the lake?

Mr Holt: I am currently looking after city to lake. I am not sure of the up-to-date expenditure right at this moment, but I think we are at approximately \$14 million all up, over the life of the project.

MR COE: Already spent?

Mr Holt: Yes; correct.

MR COE: What is the specific cost of the boardwalk and, separately, the park?

Mr Holt: For the boardwalk, at the moment, the contract is approximately \$6.3 million for the first 150 metres. As the project expands, for the full length of the plan, that will obviously increase. There are land reclamation costs that need to be added in as well. In relation to the park itself, we are going through the design approval process with NCA. Once the design has been finalised for the park, we will get a more accurate cost estimate from our contractor. We have a managing contract; we get a guaranteed contract sum from the contractor. Those costs are validated. We get quantity surveyors to come in and validate the costs. Then they take the major packages out to the market and tender those. The actual costs of the park will be determined once the design is finalised and we can go out to the market.

MR COE: What is the current time line for having residential or commercial uses at West Basin?

Mr Holt: I think the plan for West Basin has not been finalised at this point because a lot is hinging on what happens with Parkes Way. Parkes Way is a major impediment to the connectivity between the city and the lake. We also want to get the waterfront completed before there is any development down in West Basin. The city to lake plan is actually city to the lake; we are focusing our release strategy on the city first and then progressing down towards the lake. That enables us to resolve things around Parkes Way and improve that urban connectivity for pedestrians down to the lake.

MR COE: In relation to the land uses and the land custodianship around Parkes Way, including the land immediately adjacent to it, have that process and negotiation been managed by the LDA or by urban renewal?

Mr Holt: The project is being managed by the LDA, but it is a joint project with economic development as well. The major projects are being run through economic

development and funded through capital works, but the estate design components and the future land sales will be, at this stage, under the Land Development Agency.

Mr Gentleman: EPSDD are involved in a planning sense as well. I have had conversations with Malcolm Snow, and as recently as just the other day. Of course the National Capital Authority are well involved.

MR COE: What is the role of the urban renewal area with the proposed casino expansion?

Mr Gentleman: It is part of the city, so it is part of that precinct that we are looking into. In a planning sense, we will have the detail of that going through the Environment, Planning and Sustainable Development Directorate.

MR COE: There is a city activation team in this area. Surely the casino is part of that city activation? What specific input has the team had in advising decision-makers in government?

Ms Lopa: We have been asked for input, and we provide input, as do EPSDD, on the planning and land outcomes and the city activation outcomes. We do not have a formal role on the assessment panel, but we participate in the cross-government information gathering to advise the people who are making decisions on these, as we do on any other major project that involves our area.

MR COE: Has part of that advice involved any discussion about the casino doing any development or Aquis doing any development on City Walk?

Ms Lopa: Not that I am aware of.

MR COE: Or Garema Place?

Ms Lopa: Not that I am aware of.

MR COE: Thanks.

THE CHAIR: I will ask what I think is a bit of an odd question, but it relates to page 80. The third dot point is about the Community Clubs Task Force. Is this you?

Ms Lopa: Yes.

THE CHAIR: In that case, what work has been undertaken with clubs to diversify their revenue opportunities?

Mr Gentleman: Quite a bit of work was done previously with EDD and the clubs to assist the clubs to diversify their revenue opportunities. We have been working with clubs individually to look at any planning aspects that I can help with as minister for planning, particularly in regard to the clubs having other forms of activity on their sites and whether variations are needed for that to occur. If they want to do child care or hotel work, I have been working in the planning sense. Mr Dawes, have you got some more detail there?

Mr Dawes: This happened a couple of years ago. A lot of the smaller clubs were struggling. As well, there was representation through ClubsACT at the time to look at what we might be able to do. I think there is probably less reliance on gambling in a lot of the clubs, which I think is a good thing and a healthy thing. So it was about what they could do with their site. We set up a small grants program of up to \$15,000 and made that available for the small clubs to engage a consultant to provide them with professional advice as to what they may be able to do with the land if it was in their current lease or what they might be able to do if, for example, it allowed for a territory plan variation.

We worked actively with them. We had regular meetings with them; we encouraged them. Obviously it comes back to the nature of some of the clubs. Some clubs are a little better organised than others because they have a different structure within them. Some had permanent officers; some had volunteers. We worked with them to ensure that everyone had a fair opportunity to make that available. There are some clubs that are a bit more advanced, and we are in the process of assisting them to put in a childcare facility or whatever the case has been.

THE CHAIR: Can I confirm my understanding that this is a program that has already happened?

Mr Dawes: Correct.

THE CHAIR: It is not a current program?

Mr Dawes: It is not a current program. That money has expired and been spent.

THE CHAIR: Is there a list of clubs that took part?

Mr Dawes: Yes. I would have to take that on notice, but we do have a list.

THE CHAIR: Thank you very much.

MR COE: Did the clubs have to reconcile how they spent that money?

Mr Dawes: Yes.

THE CHAIR: This is a totally different one—innovative design. You have talked a lot about the bigger projects that the urban renewal authority has been involved in. Have you been involved in any smaller projects where you have led innovation? I am thinking of a fairly long time ago when ACT Housing was part of some very nice urban renewal. One of the architects has recently done some work on potentially good medium density. What role, if any, have you had in promoting those sorts of outcomes?

Ms Lopa: We have a role at many different levels. We have a role when we are putting things out to tender, like the government office block and so on, in helping to develop design guidelines and working with developers to come up with good design et cetera.

One of the other projects that we are currently working on where we have really been concentrating on the design aspect is the estate development plan for Red Hill. We have been working with the community but also an architectural firm called RobertsDay from Sydney. We have been looking at how to design really good medium density townhouse or terrace house type living. We have been looking at exemplar projects to see how we can deliver urban renewal and urban infill that is well designed, that will stand the test of time and that is suitable to the community that wants to live there. We have been going through a process with the community and architects to look at how we can do that precinct and ensure that we come out with an exceptional design outcome. That is one of the projects we have been working on recently. Nick has been working on quite a few on the urban side.

Mr Holt: We have a range of things that we apply to promote innovation, good design and sustainability in our projects. We use the Green Star Communities rating tool, where appropriate, to lead the design process. We use Envirodesigns as well. We pick the right tool for the right project depending on the project. If you are doing a greenfield project that is further out, an Envirodesigns or Green Star Communities rating tool might be a better option than it would for, say, an infill site where it may have a different characteristic.

The LDA has a design review panel which meets regularly, every two months. All projects that go through to the LDA board for consideration must have been through the design review panel. That is where experts in design and innovation come together, critique the projects and add their input to the design of the project. That expertise is factored into the early phases of design.

When it comes to the actual built form—how do we try to encourage built form improvements?—we use project delivery agreements. If there is a project where we have a particular outcome that we want to achieve we will have a contractual arrangement which goes through as part of the sale. The purchaser of the site will have to come back and meet with the LDA on three occasions prior to a DA, for example. There might be some requirements around materials that they use, the quality of the design itself, the façade and the look and feel of a project—those sorts of things. There are various tools that we apply to various projects. It is not consistently applied across every project because we do pick the right tool for the right project, depending on what we are trying to achieve for each project.

Mr Gentleman: In your question you referred to architects. Mr Holt referred to good design. Can I just congratulate Catherine Townsend on her appointment to the role of Government Architect. She comes across as a very innovative and exciting Government Architect. I think we have a great opportunity to ensure her vision of better outcomes for the territory, including good design.

Most recently she visited Adelaide to have a look at how they work with their architectural panel and design panel. This is an opportunity for developers that have a particular idea for a site to go to the panel in the first instance with that design before going to the development authority. They work with that panel on the best way that the design can be brought forward. They get support from the panel and then, when it goes to the approval process, that process is shortened because they have already gone

through a number of different changes in the design. As a result, Adelaide has seen much better results in design and development outcomes for the city. The Government Architect is keen to look at that opportunity for Canberra. We will certainly look at how that can be put in place.

MS ORR: Talking about the contracts you put in place to get better design outcomes, how do you also reconcile that with the planning requirements?

Mr Holt: Whatever the LDA does cannot override the planning authority. The guidelines that we put into our project delivery agreements have to be consistent with the Territory Plan. We cannot put things in there that would be inconsistent with the Territory Plan. A lot of what we would be looking for in certain projects would be the look and the feel or how we want the precinct to work. They are not necessarily mandatory because, at the end of the day, the planning authority will come in through the statutory process and approve DAs for developments. What we are trying to do through that is to encourage the developers of the site to think about it through the design process and at least try to get a better outcome.

THE CHAIR: Do you think you will try things like the omnibus Territory Plan variation that was tried a few years ago? Originally it had a proposal for a rezoning in Dickson, which I understand was for an innovative architect-driven redevelopment. It died a fairly early death from a public point of view. Is that the sort of process you will be looking to do?

Mr Gentleman: Was that the NEAT design program that you are thinking of?

THE CHAIR: I am not sure whether or not it was the NEAT. You would know better than me, being inside government. Certainly from the outside it was said only that there was a large list of properties that were owned by the ACT government through public housing. There was a bunch in Dickson. It was to be innovative medium density, but the variation died very soon after it was in the public arena. I do not know for sure that it was NEAT, but that would be a very believable story.

Mr Gentleman: I think it is. The NEAT program is still in place. We are looking at the opportunity we have and what area we could use to deliver that outcome.

MS ORR: I am interested in the Red Hill development. My understanding is that that has gone through a—for lack of a better term—revised consultation process as it has developed. Can you give me a bit of an overview? I am particularly interested in what outcomes you have been able to achieve through the approach you have taken.

Mr Dawes: I will get both Ms Lopa and Ms Wilden to go into the finer detail. I think this has been a very good process with the community as well. There was a lot of community angst at the start of the process, when the Territory Plan variation was going through. Obviously there have been a number of meetings and workshops held with the community. I think there is now agreement on what is proposed. Again, we are taking the lessons learnt and putting that back into all of the community consultations. More importantly, what was agreed at those workshops is going to be what is embedded in the estate development planning. Ms Lopa and Ms Wilden might like to go into detail because they were hands-on with that community process.

Ms Lopa: Following the Territory Plan variation process there was still an amount of concern in the community about what would go into that precinct. In establishing an estate development plan we went out and did more community consultation in the middle of last year. We did a number of workshops with the community. We invited a lot of people and really sat down and iteratively went through what they wanted, what they liked about the area and what they were happy to see change about the area. Obviously, public housing tenants are in there at the moment. It is situated near the shops. It is a good area for infill and for people to be able to get to shops et cetera.

The team did a lot of community consultation last year, between June and November, concluding a workshop where a draft EDP was presented with a design. The community was asked, "Does this meet your expectations?" I think in urban renewal the one thing that you can always be sure of is not everyone will be happy. The feedback that Karen and the team have received back from the community is that they are happy with the process and the amount of involvement they had in helping to inform the EDP.

That EDP is imminent. We are just going through a process with EPSDD now in looking at it. It should be lodged this month. The community will get an opportunity to comment on that as well. I think it has been a good process. I certainly have some very passionate team members who have enjoyed being out there talking to the community. We have some very passionate community members, too, who wanted to have a say. I think it has been a good process. Hopefully, we will lodge the EDP and the community can have another chance to have a say and raise any issues that they might still have.

THE CHAIR: Thank you, Ms Lopa. I thank all the witnesses who have appeared so far. When available, a proof transcript will be forwarded to all witnesses to give them an opportunity to check the transcript and suggest any corrections. I advise members and witnesses that answers to questions taken on notice should be provided to the committee office within three business days after receipt of the uncorrected proof *Hansard*, day one being the first business day after the uncorrected proof *Hansard* is sent to ministers by the committee office.

All non-executive members may lodge questions on notice, which should be received by the committee office within five business days after the proof *Hansard* is circulated, day one being the first business day after the proof *Hansard* is sent to ministers by the committee office. Responses to questions on notice should be provided to the committee office within five business days of the receipt of the question, day one being the first business day after the questions are sent to ministers by the committee office. Thank you all very much.

Sitting suspended from 12.59 to 2.00 pm.

Appearances:

Berry, Ms Yvette, Deputy Chief Minister, Minister for Education and Early Childhood Development, Minister for Housing and Suburban Development, Minister for the Prevention of Domestic and Family Violence, Minister for Women and Minister for Sport and Recreation

Chief Minister, Treasury and Economic Development Directorate

Dawes, Mr David, Director-General, Economic Development, and Chief Executive Officer, Land Development Agency

Bulless, Mr Neil, Acting Deputy Director-General, Land Development

Gordon, Mr Tom, Executive Director, Greenfield

Fitzgerald, Mr Bruce, Chief Finance Officer, Land Development Agency

Bailey, Mr Daniel, Executive Director, Sales, Marketing and Property Management

Tennent, Mr Simon, Acting Director, Strategy and Program Design

Collett, Mr David, Executive Director, Public Housing Renewal Taskforce

Lopa, Ms Liz, Executive Director, Urban Renewal

THE CHAIR: We are now quorate. The standing committee will resume public hearings for its inquiry into annual reports for 2015. This afternoon the committee will hear from the Minister for Housing and Suburban Development and her officers in relation to the Land Development Agency; policy, strategy and infrastructure delivery; land release; the Public Housing Renewal Taskforce; and affordable housing.

We will begin with the Land Development Agency. Minister, could you confirm for the record that you and the officers present are aware of the pink privileges statement and its implications.

Ms Berry: Yes.

Mr Dawes: Certainly, yes.

THE CHAIR: Thank you. Do you wish to make an opening statement?

Ms Berry: Yes, please. I make this statement in relation to all the sessions for this afternoon. I am pleased to do that and to talk about the work that the government has been doing to support land release, land development and housing renewal in the ACT to help shape Canberra as a progressive, modern and inclusive city.

This is important work. The government is focused on how we can build communities the way that people want, with places and homes that are contemporary and attractive, promoting attractive living through connectivity and access to good public transport and great outdoor spaces, communities that are well connected and well supported so that people can live great lives.

We also want to make sure that those who live here, whether they are in public or social housing or renting or buying their own place, can have that chance. The recent englobo sales in Denman Prospect, joint ventures like Crace and Ginninderry and

complete estate developments are the types of models the government is pursuing to develop land and provide choices for people who want to build new houses in new areas.

Our land release remains an important source of revenue for the territory, but it also contributes to our social and environmental objectives. In terms of these highlights, in 2015-16 the Land Development Agency delivered land sales revenue of 593.7 million, almost 35.4 million above the target of 557.8 million. This resulted in a return to government of 349 million above the target of 313.6 million. This is a great return for the community.

In the realm of land release, the LDA exceeded many of the key targets in the 2015-16 statement of intent, including releasing land for 4,024 dwellings, exceeding the target of 3,513 dwellings; releasing 120,725 metres square of commercial land against a target of 57,194 metres square; releasing 198,649 metres square of community non-urban land against a target of 57,154 metres square, including a 91,428 metres square site to the Education Directorate for the development of the second school in Molonglo in the suburb of Denman Prospect; and releasing 90,687 metres square of industrial land to the market, exceeding the target of 64,485 metres square.

Some of the highlights included the first offering to the market of the 543 dwelling sites in Throsby, Gungahlin's newest suburb. Releases also continued in Moncrieff and Coombs, with 710 and 514 dwelling sites, respectively. An auction of 515 dwellings at section 52 Braddon was keenly contested, achieving a final sale price of \$47 million. The site for the first service station in the Molonglo Valley was offered in November 2015 and sold competitively for \$5.75 million.

Part of the work of the LDA and the government is ensuring that our community is interested, engaged and involved in the work that we are doing. I am a great advocate for effective community engagement and I believe it is imperative that we are using practical and effective tools to let the community know what we want to do and why we want to do it, and that they are able to have their say in how we do it.

Projects such as the Red Hill public housing precinct, the Haig Park master plan and the Canberra brickworks project have used a number of deliberative engagement tools to get the best outcome. The Mingle communications platform involves a number of engaging elements, all designed to build and bond strong communities. Going forward, I believe we can continue to build on these positive programs of engagement and develop new ideas on how we can continue to build trust and even stronger communities.

Over the past 12 months, the ACT government has continued to implement its affordable housing action plan. This has included targeted actions such as providing sites for affordable home purchase and land rent; allocating sites to Community Housing Canberra; and providing for the construction of new public housing.

This takes me to our program of renewal. The Public Housing Renewal Taskforce is working hard to improve outcomes for public housing tenants in the ACT and support the renewal of Canberra's urban areas. 1,288 public housing dwellings will be constructed or purchased across Canberra to replace older environmentally and

socially outdated housing properties, and improve the overall quality of the public housing portfolio. This is having an added benefit of dispersing concentrations of disadvantage that currently exist in large multi-unit public housing properties with a salt and pepper approach to replacement sites.

The Public Housing Renewal Taskforce exceeded its 2015-16 accountability indicator target by 48 per cent, with a total of 520 dwellings under contract. Other achievements of the public housing renewal program include securing funding in the 2016-17 budget for the redevelopment and replacement of 864 public housing dwellings in addition to 352 dwellings which were funded in the 2015-16 budget; continuing construction of over 350 properties in Monash, Nicholls, Amaroo, Moncrieff and Coombs, and completing the construction of 20 public housing dwellings in Chisholm; purchasing suitable residential developments from the private sector, which included securing 150 dwellings for the public housing renewal program; and working with Housing ACT to support over 100 public housing tenants to move home.

As the committee is aware, the LDA has responded to the need for greater transparency and probity through issues identified in two separate reviews. The government response to the Auditor-General's report into certain land acquisitions supported all seven of the Auditor-General's recommendations. The LDA has established a governance and quality assurance team and a governance executive committee to drive improved processes and practices across the organisation.

Many improvements have already been implemented, covering valuations, legal advice, land acquisitions, single-source procurements, and managing conflicts of interest. The LDA board and its audit and risk committee are monitoring the progress of these business improvements, and receive regular reports at each of these meetings.

You will be aware that on Wednesday the Chief Minister made a further announcement with regard to the creation of the two new agencies, delivering the government's land release program, new suburbs, urban renewal projects, and suburban renewal activities. Bills will be introduced in the March sittings, and we will now start to work with our workforce to ensure the smoothest transition that we can to make sure that staff are supported and have all the information that they need.

I know that the committee is aware that Mr Dawes has indicated that he will not be applying for new positions within the new agencies created by the ACT government by the split of the LDA. I would like the chance to thank Mr Dawes for his work for the ACT community through the government over the last 10 years.

I know that the committee will have many questions during this committee hearing, and we want to do our very best to answer them as much as we possibly can, but I do ask that the conversation is a respectful one. I and my officials will do our very best to respond if we can, noting that there are a lot of public servants whose jobs will be changing as a result of this change to the LDA. We are happy to take questions.

THE CHAIR: Thank you, minister. In last year's LDA annual reports hearing by the planning committee, which I was not present at though I have read *Hansard*, the LDA CEO and deputy CEO stated that the LDA board signed off on all land

PROOF

acquisitions under \$5 million, including Glebe Park. The subsequent Auditor-General's report showed that this statement appears to be incorrect. Would you like to take the opportunity to correct the record of the previous annual reports hearing?

Ms Berry: It was not me. I might have to take that on notice, unless anybody can recall?

THE CHAIR: I can certainly read the transcript to you.

Ms Berry: Chair, with respect, I have had this portfolio since just after the election in October. I am probably not completely on top of events that happened during last year's committee hearings. I am happy for you to read it out, but I would have to probably take the response on notice.

THE CHAIR: There is a question from Mr Coe on page 21. Mr Coe says:

... surely everything under \$5 million has to go before the LDA board?

The deputy CFO responded:

Yes, and it does.

This response and the subsequent comment by Mr Dawes on page 22 imply that the Glebe Park land acquisition received prior board approval, when, on the basis of the Auditor-General's report, it appears that that was not the case. As you would know, providing incorrect or false information to an Assembly committee is a fairly serious matter. Given the seriousness of this and the fact that you are appearing as the responsible minister, it is reasonable to ask if you wish to correct the record or not.

Ms Berry: As I said, thanks for providing the information. I can take it on notice. If the record does need to be corrected, we can do that. We will provide a response when we can.

MR COE: Is it a statement of fact, though? Have all purchases under \$5 million gone to the LDA board?

Ms Berry: I am just getting some advice on that. I think this could be an interpretation issue, but we might be able to provide you with some information now.

Mr Dawes: Not at the moment, no.

Ms Berry: We will have to take it on notice. It is much better that we get the right answer to you.

MR COE: The question, though, is quite straightforward.

THE CHAIR: Yes.

MR COE: Have all payments under \$5 million gone to the LDA board? If you do not

have the answer to that, that is an issue.

THE CHAIR: Yes, particularly as last year—

Ms Berry: The reason why I am saying I do not have the answer now is that you are referring back to a committee hearing that I was not a party to. I would like to check the record myself and then check with my officials to see what has actually been happening. I think that is fair enough, Mr Coe.

MR COE: Quite aside from the statement—

THE CHAIR: Quite aside from my question—

MR COE: Have all land acquisitions under \$5 million gone to the LDA board?

THE CHAIR: It is a pretty straightforward question.

Mr Dawes: I think if you go back through the transcripts, and I am more than happy to come back with written answers, there was an interpretation. Some of the things that I talked about were acquisitions, to do with the project acquisitions, and I was quite clear about what project acquisitions were, and LDA acquisitions. Subsequently, through the Auditor-General's report, we learned that some of the interpretation that we were working on—it was an instrument that we were working under—had a different interpretation, because some of the wording had changed, unbeknown to both ourselves internally and the board. We have recognised that, and obviously we are moving to fix that. If, for example, you are talking about that interpretation, Mr Coe, about what were strategic acquisitions or project acquisitions, they were two different things that I was referring to.

THE CHAIR: I could give you the quote from the *Hansard*, but is it possible for you to answer Mr Coe's question now?

Mr Dawes: I just think I said some of them I did have to refer to the board and some I did not have to refer to the board.

THE CHAIR: So the answer is not—

Mr Dawes: Not all.

THE CHAIR: The answer is: not all?

Mr Dawes: The ones that were project related did not go to the board if they were under \$5 million, because that was well within my delegation. I had a delegation of up to \$10 million. If you trawl back through all of the transcripts and all of that, I think I referred to some of that previously.

THE CHAIR: We have got Mr Coe saying:

The acquisition thresholds and the decision-maker say below \$5 million, the LDA board; \$5 million to \$20 million, Chief Minister and Treasurer; and over

\$20 million, the government—in effect, cabinet. Therefore, surely everything under \$5 million has to go before the LDA board?

And Ms—

Mr Dawes: If, for example, it was related to a—

THE CHAIR: All I am saying is that the response was very clear from Ms Cicolini. She said:

Yes, and it does.

Are you now saying that that response was not correct?

Ms Berry: No, I do not think he is. He is responding to the question that you asked around whether sales below \$5 million go to the board.

Mr Dawes: There were two interpretations, I think, Ms Le Couteur. One was about what was project acquisitions, and that is strategic acquisitions. I think I have been fairly clear for some 12 months in referring to that, if you go back through, and Mr Coe will have it, no doubt, on record.

MR COE: I have a supplementary. Given the Auditor-General's report, which is now out, at present is there a difference between a business-as-usual acquisition, a project acquisition or a strategic acquisition as far as the relevant instrument is concerned?

Mr Dawes: I will get Mr Bulless to fully answer that question, but we do comply, and obviously we have had an interpretation of that particular instrument. I might have mentioned to you, when I was talking to you a couple of weeks ago, Mr Coe, that there was a change to a document that was signed off by government. Unbeknownst, it was inadvertently changed to include the word "all". So we have taken that advice on board, we have had the Auditor-General's advice checked by the GSO and we now comply. Mr Bulless can answer that question.

Mr Bulless: The answer to the question, Mr Coe, in terms of whether we comply, is that yes, we comply with the letter of the law, which is consistent with the framework direction. But there has only been one transaction which has been to the board this financial year. We have provided advice to all of our staff and to the board in terms of what is the recommendation and requirements to comply with the framework. All staff and the board understand what the framework means, and we are fully complying with that framework.

MR COE: If you were to have taken the same approach which you are now taking, to the letter of the law, which is reassuring, prior to this latest approach, what would that have meant in terms of the threshold, in terms of the ceiling, for acquisitions as spelt out in the land acquisition policy framework?

Mr Bulless: The issue that existed prior to the audit was that there was an interpretation document drafted within the LDA on how to interpret the framework. As the audit has found, that was incorrect in its assumptions on how it should be

applied. There was a distinction internally within LDA, and the advice to the board, that certain projects, strategic and other, were normal business. That logic was applied to certain transactions, and some of those transactions did not go to the board as the framework would have required. That advice at the time, as Mr Dawes has indicated, was based on a belief of what the direction meant in practice.

MR COE: Who gave that advice?

Mr Bulless: It was developed internally within LDA.

MR COE: In the event that all payments, to the letter of the law, were counted as part of the disallowable instrument, what would that have meant for paragraph 2.3.1, which spells out the annual acquisition limit for the LDA?

Mr Bulless: In terms of the acquisitions that happened between 2014-15 and this year, our analysis suggests that we would not have breached the annual limit within the financial year, which requires everything to go to the government. There were transactions that were undertaken. With respect to the numbers, in terms of approvals for 2015-16, there were 13.1 million in acquisitions; 19.3 were settled.

There is an issue on which we have received advice from the GSO around what is the actual definition of when the LDA transacts. That advice suggests it is on settlement. So what can happen is that a transaction can be initiated in one financial year but not settled until the next financial year. That raises some issues regarding how to comply with the direction in the sense of how to monitor a running total which may go over a number of years. That said, as I said before, when the audit was responded to and the LDA has considered the audit findings and how to respond to the audit, it is clear that previously we were not complying fully with the direction.

THE CHAIR: You are now saying that you are complying with all the directions and the policy framework?

Mr Bulless: Correct.

THE CHAIR: Can I draw your attention to page 13 of your report, which states that under the framework the details of all acquisitions completed during a financial year must be included in the LDA's annual report. Why do we only have two listed here, at Stromlo? To start with, it is pretty meaningless. I do not think you bought Mount Stromlo. The ANU, I believe, is still in operation there. Are you saying that there were only two land acquisitions in that year? I do not think you could say that "Stromlo" is a useful description of them.

Mr Gordon: Yes, I agree that the description is relating to the district and where the purchases were made. That is the relationship that is given in the annual report. We can provide the specifics of those, if you like.

THE CHAIR: Yes, please. That is all the land acquisitions, you believe?

Mr Gordon: Yes.

Mr Dawes: With some of the acquisitions in that particular year, with the settlement dates, some go to the asset register in a different way. If you want specifics, our CFO is here to answer some of those questions.

MR COE: I have a supplementary. When was the Glebe Park block—

Mr Dawes: That is what I am suggesting—that they have gone to a different part of the accounts. As I said I am happy to answer those questions.

THE CHAIR: It does not appear that you are following the framework, which is fairly clear, I thought.

Mr Dawes: Actually, you have to remember that this is a point in time when the annual report was done. The Auditor-General's report came out after this was printed.

THE CHAIR: Yes, but with the land acquisition policy framework, you just said that you follow it.

Mr Dawes: As Mr Bulless has already pointed out, we thought we were complying with that prior to that.

MS LAWDER: I have a supplementary.

MR COE: Just on that point, though, this letter, at the front of the annual report, to Andrew Barr, signed by the chair and the chief executive, is dated 23 September.

Mr Dawes: Yes.

MR COE: By that date the LDA had seen the draft report of the Auditor-General and was well aware of her commentary with regard to what a strategic acquisition is. So how could it be that the most publicised land acquisition that the government made, a very controversial \$4.2 million purchase, is not included in that list?

Mr Fitzgerald: The business purchases are actually recorded against the inventory. We have made a note of the purchases within note 25 on page 123.

MR COE: But why would it not be in that list of strategic acquisitions?

THE CHAIR: Why isn't it in the list?

Mr Fitzgerald: I believe that was an oversight. I do not have an answer to that.

Ms Berry: We might take that on notice and check why it is reported differently in the annual report, and come back to you on that one, chair.

THE CHAIR: Reading note 25 refers to the land for the city to the lake project. Is that the land that you are talking about?

Mr Fitzgerald: Yes.

Mr Dawes: No.

MR COE: This does not mention Glebe Park. It only mentions Mr Spokes.

THE CHAIR: That is not Glebe Park.

Mr Fitzgerald: I apologise.

THE CHAIR: Mr Spokes. Glebe Park is not starring on either page.

Mr Fitzgerald: My apologies.

MR COE: I believe there would be omissions with regard to Glebe Park. I believe there is an omission regarding Mr Spokes. I believe there would be an omission with regard to the paddleboat business.

Mr Dawes: They are on page 120. Those latter ones are clearly there in business combinations, on page 120.

MR COE: As a strategic acquisition, though—

THE CHAIR: Glebe Park does not appear to be starring on either page. Can you please explain why Glebe Park did not?

Mr Fitzgerald: The actual land value itself is recorded against inventories. We hold it as a piece of land that we will use at some point in the future. The accounting standards do not require us to provide additional detail to that effect within the accounts themselves, but we can provide an inventory.

THE CHAIR: Okay. Maybe the accounting standards do not, and you know more about them than I, but I thought we just had a conversation that there was a land acquisition policy framework and it required strategic acquisitions to be noted. Unless I am particularly blind, Glebe Park is not starring on this.

Mr Dawes: It was not a strategic acquisition. It comes back to terminology, and I referred to it as a project acquisition. Obviously, we have now had the proper interpretation of the instrument. You have to remember also that the Auditor-General signed off on these accounts.

Ms Berry: We will find out—

MR COE: The accounts but not the annual report.

Ms Berry: We will find out why and we will come back to the committee. We will take it on notice.

MS ORR: There has obviously been quite a bit around this in the sense of lots of questions, and you have mentioned a few times that you have done an audit. I am quite interested to know what you have put in place so that next annual reports we are not back here having the same discussion.

Ms Berry: There has been a lot of work done since the Auditor-General's report was released, the government's response to the report and the work that has been going on, working towards improving the governance and transparency of the LDA, which were the main concerns of the Auditor-General's report. There is quite a lot that has been done. I will get Mr Bulless to take the committee through some detail about how we have responded to the Auditor-General's report.

Mr Bulless: Since the Auditor-General's report was provided and tabled in the Assembly at the end of September there has been a governance program constructed, put together and approved by the board. What the governance program does is encompass 33 actions that respond to all the findings of the Auditor-General's report and the McPhee review. The board has approved a program that will run to about April next year, and it is split into high priority, medium priority and normal.

The first 10 high priority actions have to be finished by 30 June. Those actions are responding to the seven findings of the Auditor-General and a number of the McPhee findings. Two of those have been completed, and all of the others are in train for completion by the end of June. They include establishing and resourcing a governance function, as the minister mentioned, in the LDA. That has been done. We have four staff in the team now whose role solely and purely is to implement this governance in the LDA.

As the minister mentioned in her opening statement, we have created a governance executive committee, which comprises the executive directors of the LDA, the executive director of the public housing task force and the director of strategy and program design. It is chaired by me, and we meet on a fortnightly basis. Our role is to ensure that the processes, practices and frameworks are reviewed and developed, are not substandard and are promulgated throughout the organisation. We report to the board on a monthly basis, and we report to the board audit and risk committee on a bi-monthly basis.

In addition to responding to all of the Auditor-General's recommendations we are also improving our processes around valuations, the acquisition framework which I have already mentioned in terms of our acquiring and seeking legal advice from the Government Solicitor. Two of those ten actions are completed and eight are in train. There has been a significant amount of resourcing committed by the organisation and full support from the board and the chief executive.

MS ORR: Excuse me, because obviously this is my first term. I have not been here for this. Could you clarify for me: did the Auditor-General choose to take the report on herself or was there some other mechanism by which that report came about?

Mr Dawes: It started off as a public disclosure. As well, the Auditor-General wrote to me and we had a discussion about it. Under public interest disclosure there are three alternatives that can be taken. I, as the CEO or director-general, could have conducted a review. I could have asked another director-general to do a review or referred it back to the Auditor-General. When she approached me, obviously she had quite a lot of information at that point in time. The fact that I was the decision-maker, it was not appropriate for me to undertake the investigation. I actually gave it back to the

Auditor-General to do that investigation, and that then led to the formal audit report.

As far as I was concerned, there was nothing at all in any way, shape or form to hide. I had the documentation. At that first visit we had with her, we actually made up a file of all of the information. Obviously she had a lot of the material that we had already. I do not know how that was sourced but she obviously had a lot of the information as well.

MS ORR: On page 30 it refers to an internal audit. Can you clarify for me just where that fitted into the process?

Mr Bulless: The internal audit process within LDA manages the normal types of internal audit processes. It tends to be either strategic risk or it tends to be low level, transaction-type activities. As part of the government response and the governance program, we are also looking at other elements of the economic development stream, and we have been requested by the CMTEDD internal audit to provide updates to them on our governance program.

Part of the McPhee review also looked at the economic development stream and made some recommendations in respect to that stream. We have two processes effectively running parallel, one to the LDA board, and one to the CMTEDD internal audit, which ultimately reports to the Head of Service.

MS LAWDER: When was the interpretation that you spoke about earlier developed?

Mr Bulless: I will take that on notice. I need to confirm the dates. It was developed after the framework direction had been signed by the relevant minister, and it was an internal response by the LDA to that document. I will undertake to get a date for you.

MS LAWDER: Who wrote it?

Mr Bulless: It was written by LDA management.

MS LAWDER: Who approved it? When did it become a formal document? Who said, “Yes this is what we need”?

Mr Dawes: I am happy to provide that time line. What you have got to understand is that a lot of work was done prior to that as well. This strategic acquisition was originally initiated by the LDA board back in 2012. Obviously we would have been approached from time to time about particular properties that we might purchase or look at. So we thought we needed to have a mechanism. That actually was the driver. This went back to the back end of 2011-12. There was a whole lot of work that was done on this particular project.

I cannot be any clearer than this: the board, everyone within the LDA was of a view that there were two documents. There was a strategic acquisition document. If you go back and have a look at the document that the minister signed and look at the purpose—and that was what was really intended for it—there were two words changed in the final document that the Chief Minister signed. The word “strategic” was dropped off, and that did not have any impact, but the insertion of the word “all”

changed the interpretation of that.

Once we learned that very late in the piece last year and saw the report from the Auditor-General, we went back and cleared it to have that confirmed. That advice had been provided to the Auditor-General by, I think, the commonwealth.

MS LAWDER: Where were those words changed? In the Chief Minister's office or the LDA?

Mr Dawes: We do not know. I think it may have been internally in economic development. I really do not know where all of that was changed but that was what happened. That changed it. We had to get a whole lot of legal advice, just for us to carry out our normal, day-to-day business as well.

Was I breaching in other areas? At the moment we have internal transfers of land between what was TAMS and is now TCCS—they are the custodians of the land that is handed over—and the LDA to develop that land. I sign off \$20 million, \$10 million quite regularly for payment of that land. It is the way treasury account for money flowing from the LDA back into the broader government context. Have I been in breach? In one transaction I might transfer \$20 million or \$30 million to TCCS. You can understand that we needed to clarify that.

Again, the Government Solicitor's Office has said no that does not fall into that category. There have been a lot of questions. Obviously now we have got a very clear interpretation of that.

MS LAWDER: What is the effective date of the framework document?

Mr Dawes: What day did the Chief Minister sign off on that instrument?

Ms Berry: We are going to get someone else to answer.

Mr Dawes: Yes.

Mr Bulless: I think it was about April 2014 but we would need to check. Sorry, can I just correct the record? It was June 2014.

MR COE: I did raise this very issue in November of 2015. I did ask those questions that Ms Le Couteur mentioned earlier. Upon my asking those questions, why did not anybody at the time start asking questions about all acquisitions, rather than waiting almost a year for the Auditor-General to give you a draft report?

Mr Dawes: I forget what I said at the time. At the end of the day there was a very clear view in my mind, and in the minds of many others as well, what was a project acquisition and what was a strategic acquisition. We have obviously learned—

MR COE: But in my questions at that time I actually raised the vagaries of this and asked what the difference was between a business as usual, a project acquisition, and a strategic acquisition. Why was that not put on the radar then?

Mr Dawes: Can I say, that is actually when we went back and asked a whole lot of questions internally, after you raised that last year. We went back to that.

MS ORR: I am interested in the engagement practices you have been putting in place, particularly mingle, and some of the more consultative processes that you have been undertaking.

Mr Dawes: I will ask Daniel Bailey to answer that question. This is something that I think the LDA and the government can be quite proud of. Obviously as we are developing, whether it is an urban renewal project or a new greenfield site, it is about how we create communities. I think it is fair to say that the way communities are created today, compared to what they were 20, 30 or 40 years ago—most people now drive up to their homes, the garage door goes up and the car goes in—is very internalised. The whole idea of the mingle project is to create that sense of community.

Mr Bailey: The mingle program is one of our successful parts of the LDA. Within the 2015-16 year we held 29 different mingle events. They are basically in the new estates to create a community bond within them. The activities are quite diverse. There is a bike day and there are biggest morning teas, Easter egg hunts and astronomy nights. It is a real mix of things. It gets a lot of engagement from these new communities. We use them as an information-sharing thing that we share across government. If we are getting feedback from these new communities related to planning, we will actually feed that information back to the community. The Facebook pages that we have are really popular. The social media engagement with these communities is quite good too. Mingle is quite successful within our organisation.

MS ORR: If a new estate like Bonner, which is in my electorate—I always take an interest in my electorate—has a program, how long will it continue? Bonner is still relatively new.

Mr Bailey: I am not quite sure of the length. I think we do three years. It is about three years.

MS ORR: So long enough for the community to really start to form and take it over themselves?

Mr Bailey: Correct. We hope that after that point it is not something that is left but that the community keep the activities going. The success of the program is the fact that after three years the community take ownership of those community groups, that they are set up and they continue on with them.

MS ORR: Do you have anything in place to help the communities take over, I guess, the infrastructure of running those programs? Is that something that you have looked at within the mingle program, how to transition it to community-led?

Mr Bailey: Certainly. At the early engagement we are doing all of the work and then stepping back as we go and inviting community members to take those lead positions and roles. That is something that we definitely encourage.

Ms Berry: Mostly it is just about getting people out of their homes, meeting each

other and finding that they have something in common with their neighbours, which is their neighbourhood mostly, and then connecting them up with each other for different things. There could be a whole bunch of different groups set up in the community, not just a neighbourhood community council group but gardening groups or quilting groups, dog walking, childminding or whatever it is. It is connecting people with each other, who would normally be strangers, to find things out about each other and connecting with not just the physical part of the community but the human part as well.

MS ORR: Given the success that you had for the program to run, what is the intention in taking the mingle program forward? Are you looking to apply it to more areas in future?

Mr Bailey: Certainly any new estate that we do. It is part of our business there, but also urban renewal. There may be opportunities to extend it into some of the new work that is happening there as well.

MS ORR: That would count in the suburban areas as well?

Mr Dawes: Obviously, one of the successes during the centenary year was partying in the shops. We have tried to replicate something like that in some of the urban renewal spaces. We even had a contract for those people who ran party in the shops to run a couple of programs in some of our urban renewal areas. We see that as important.

Ms Berry: There are some other things as well with that model that we can continue to improve on for the existing community but also for the communities that it connects up to. It is about improving digital skills, having some more live updates on Facebook around the construction, updating people along the way about things that are happening in the neighbourhood and improving partnerships with different community organisations; all of those ideas. I am keen to talk with the community to develop those even more and see how we can do it even better.

MR MILLIGAN: I have a supplementary. Are you able to indicate how many events the LDA hosted during 2015-16, how many people attended, and what was the cost to the government?

Mr Bailey: There were 29 mingle events, activities, across Molonglo, Bonner and Moncrieff during 2015-16. I would have to take on notice how much that cost and the number of people participating.

MS LAWDER: I have a question about the paddleboat business and building. Can you tell me what consultants you used in order to purchase the business and the building, who did the valuations, what brokers were used and what were the total fees paid to all of those brokers, valuers et cetera?

Mr Dawes: The exact dollars? There was a discussion. I just cannot recall—

MS LAWDER: Would you like to take that on notice?

Mr Dawes: I will take that on notice.

MS LAWDER: Would you like me to repeat the question?

Mr Dawes: I think we have got that. We can just look at the transcript.

Ms Berry: There are four parts to it.

MS LAWDER: I thought Ms Lopa might have been coming to speak.

Mr Dawes: We can answer some of it in part, but to give you a full answer—

MS LAWDER: I would ask whether brokers were used to purchase the building and the business, the valuers—

Mr Dawes: We certainly had valuers in the building, and we also had valuations.

MS LAWDER: Who did the valuations?

Mr Dawes: Colliers did the valuation. That is on the public record.

THE CHAIR: Could you also ask what account was taken of any cash earnings from the business in terms of the valuation for this?

Mr Dawes: Yes.

Ms Lopa: My advice was going to be to take that on notice. We definitely did use valuers and consultants on those purchases through my team before I started. We can take that on notice and get those details to you.

MR COE: If I may ask a supplementary: what is the role of brokers in these arrangements?

Mr Dawes: I do not believe we have used brokers in a sense. I think there was one broker that was used by the Spokes people. They engaged an intermediary as well, but that was separate to us employing one. We will employ an agent to market or sell our properties. We do not traditionally employ a broker to act for us per se.

MR COE: One of the *Canberra Times* articles reported that Mr Ben Parsons—

Mr Dawes: Correct. He was the one who acted for the Spokes people.

MR COE: He acted on their behalf?

Mr Dawes: Correct.

MR COE: So in effect he was paid by—

Mr Dawes: By them.

MR COE: But no other brokers were paid or no brokers were paid by the

PROOF

ACT government?

Mr Dawes: Not to my recollection. As I said, we do not normally use brokers.

MR COE: Mr Parsons was not paid by the government?

Mr Dawes: That was part of the settlement to the Spokes's as well. So it depends on how you clarify that.

MR COE: So Mr Parsons's fee was paid for by the government?

Mr Dawes: That was part and parcel of the negotiated outcome with the Spokes's as well. We can give you the exact information.

Ms Lopa: If I could add to that. When I looked into this before, on settlement, it is much like when you settle with someone and they say, "Can you direct the cheques to my accountant or my lawyer?" It was directed like that, but Ben Parsons was not employed by the LDA. He was paid as part of the settlement to Mr Spokes, the same way as their accountant was paid and their lawyer. It was just a cheque direction issue. That is my understanding.

MR COE: How will that show up in the payments register? I did not see a payment to Mr Parsons in the register, so I am curious as to what LDA's policy is. All payments over the threshold are meant to be published here. In the event that a settlement has multiple parts, how do you actually report the multiple parts in the payments register?

Mr Fitzgerald: The payments register listed within this report relates to the contracts as listed on the contract register. For items such as that, they may not have required to be listed within the register.

MR COE: The legislation states that all payments are to go on this register. Are you saying that anything that does not have a contract attached to it is not published in the payments register which goes out monthly; the notifiable invoices?

Mr Fitzgerald: In the notifiable payments register, if it is a component of a different payment then it will be part of that component. It may not be broken up separately.

MR COE: If, for instance, the payee is X, and you are saying that X actually could be X plus numerous other—

Mr Dawes: Not plus, included.

Mr Fitzgerald: Including.

MR COE: So it is not accurate; with all of these payments by the LDA, that payment has not necessarily gone to that payee?

Mr Fitzgerald: No. The payment would need to be above \$3,000 in order to appear in that register—

MR COE: That is right.

Mr Fitzgerald: in the first instance. I am unfamiliar with the actual transaction itself, so I would have to take the details on notice.

MR COE: On the broader issue, are you saying that some of the payments that have been published by the LDA next to a single payee may in fact be multiple payees?

Mr Fitzgerald: The payee as listed is what goes through our financial management system. If the invoice is provided to LDA for a conglomerate of people then it will be listed as such on that register.

THE CHAIR: By “as such”, do you mean each individual in the conglomerate? I am totally confused.

Mr Fitzgerald: No.

THE CHAIR: Or do you mean XYZ Holdings that it would then go to?

Mr Fitzgerald: It will be based on—

MS LAWDER: How do you get their details for the disbursement if there is no—

THE CHAIR: I am totally confused now.

Mr Fitzgerald: It will be based on the invoice; on whom we are actually paying. If the vendor has provided us with the invoice details then the name of the person providing the invoice will be the one listed on that register.

MR COE: Not the people who have actually been paid?

Ms Berry: So it could be the case, for example, that the LDA would write a cheque and it would be given to the lawyer who is doing the legal work for the purchase and the sale, and the lawyer would then—

MR COE: Make the disbursements? But this is a different situation. The LDA is making, in effect, three separate cheques and the total of those is going into the payments register; is that correct?

Mr Dawes: I do not think that happens. At the end of the day, we pay whoever has invoiced it, because it comes straight out of our financial system.

THE CHAIR: Can we have an example? Say I am XYZ Holdings and you have decided to pay \$10,000 for some good reason, but I then say to you, “I really want \$1,000 to go to my lawyer and \$1,000 to go to my broker.” Is the register going to say “\$10,000 to XYZ”, or is it going to say “\$8,000 to XYZ, \$1,000 to the lawyer, \$1,000 to the broker”? I am certainly confused.

Mr Fitzgerald: In that instance, yes.

THE CHAIR: But yes to which?

Mr Fitzgerald: Yes to the fact that if there are multiple invoices, in which case it would be the scenario where you have said \$8,000, \$1,000 and \$1,000—

THE CHAIR: It would be one invoice. I have just gone through this with a house settlement—let us say the total is \$10,000—and “I want you to pay it like this”—

MR COE: That is not actually an invoice.

Mr Fitzgerald: No.

MR COE: So that is not the best example.

THE CHAIR: Okay, perhaps not. Would it be a \$10,000 or an \$8,000, a \$1,000 and a \$1,000?

Mr Bulless: Can we take it on notice and give you an example?

Ms Berry: Yes.

THE CHAIR: I am confused, and I may not be the only person.

MR COE: Finally, on this subject, did anybody in the government refer Mr Parsons to Mr Spokes?

Mr Dawes: Definitely not. I can categorically say that Mr Parsons, if you were to talk to him as well—

MR COE: I do not know who he is.

Mr Dawes: He actually responded after a Philip Clark interview between me and Mrs Edwards. Obviously, they had been through a legal firm and it was quite ugly. Their legal officer was quite aggressive at the time and it was not going very far. He rang them up and approached them and said, “Would you like me to act for them?” That is my understanding. I would suggest that you might want to talk to Mrs Edwards and ask her exactly how Mr Parsons appeared. But that is my understanding.

MR COE: Who negotiated that there would be a disbursement to Mr Parsons on top of the payment to the vendor?

Mr Dawes: There were discussions with us, the Government Solicitor’s Office, and then when we were negotiating that sale.

MR COE: How often would an additional disbursement like that be made?

Mr Dawes: How do you know there was an additional disbursement? It might have been included in whatever the sale—

PROOF

MR COE: You actually said earlier that there was an additional payment made to—

Mr Dawes: I did not say “additional payment”. There was an agreed price, to Edwards or to Spokes. Probably the easiest way to break it up is to send you a copy of it. I will ask the GSO to forward you a copy of the settlement statement. That way you can be satisfied that you have all of the answers.

MR COE: That would be great. I have been chasing this by FOI for a long time, so that would be wonderful. Thank you.

Mr Dawes: Well, you have not asked that question in your FOI.

Ms Berry: Chair, if we can provide that information, we will.

Mr Dawes: I will have to talk to—

Ms Berry: We will have to get some advice.

Mr Dawes: We will have to talk to GSO and get advice. As long as it does not break the Privacy Act.

MR COE: Sure.

THE CHAIR: Ms Cheyne.

MS CHEYNE: Thank you. Sorry to jump around, but I would like to ask some questions about Ginninderry and the joint venture. I believe that Ginninderry was not originally a joint venture but became one. How has that come about?

Mr Dawes: Do you want me to kickstart this?

Mr Gordon: Yes.

Mr Dawes: In relation to this particular project, I remember meeting with Mr Maxwell back in June 2007, so that is something that has not just happened as well. There were a lot of discussions. I think it is fair to say that at first the government was not that interested. One of the unique situations with Ginninderry is that the same family owns the 99-year lease on the ACT side and has the freehold, or a lot of the freehold, on the New South Wales side. It is a unique piece where the same family own that particular land.

Obviously, as we walked through, there were a lot of issues and concerns that treasury had. I remember having joint meetings right across the whole of government with treasury officials and planning officials. I think it is fair to say that David Maxwell, being the diligent individual that he is, pressed on and provided all of the consultancy reports. There were a lot of issues around environmental matters. There were a lot of issues around how it might be treated across the border as well, as it spanned into New South Wales, and what that would do to our distribution of GST and all those sorts of things? He actually engaged a number of consultants and answered a lot of those questions.

At one point, it was agreed that we would not do the joint venture, that it would be basically ours. One of the advantages involved the fact that, as you know, there is a buffer from fire, protection and all of that. The fact that that family owned the land in New South Wales meant that we could use that land as the buffer, and it allowed us to develop in land that we could not normally develop. That was the other attraction. There was something in the order of between 2,000 and 2,500 additional dwelling sites in the buffer zone which we could never develop because it was the buffer land. Then that morphed in, and it was more a ninety-ten JV; we were just going to control the ACT and he would take his chances on the New South Wales side. But as we went through and did a whole lot more work, and there was a lot more feasibility, it morphed into the JV.

I think it is fair to say that Mr Maxwell has again led the charge with community consultation, working with that Belconnen community quite well and also with the Indigenous families that are there and the Conservation Council. It is not often we have seen a letter come from the Conservation Council encouraging the minister not to refer something to a committee when we apply for a national capital plan or a territory plan variation. That was fairly encouraging. It just goes to show what you can do and how you can work with the community.

Ms Berry: With that review and the new development now, Ginninderry was really convincing the government about land that has lots of valuable heritage, ranging from early settlers and Aboriginal and Indigenous heritage to environmental heritage with yellow box gums, earless lizards and sun moths. Everything is on that place. The government needed to be convinced that it was something that we could go ahead with as a joint partner. David Maxwell, through Riverview, did all that work with all the consultants that he had engaged and continued to engage. Is there anything more that you want to add to that?

Mr Dawes: And Tom has been intimately involved from an LDA perspective.

Mr Gordon: Yes. As David and the minister were alluding to there, the project has a lot of unique aspects. It is not only the environmental matters, but the cultural significance of the area. It is adjacent to Strathnairn arts precinct, which is a fabulous asset for the territory. It is not far from the treatment works. It is not far from the major supply of electricity in the ACT. There is a landfill site which is currently used as an emergency site, but also for material from homes from the asbestos task force that has been put into that landfill area, which eventually will be capped and turned into an open space. So it has a lot of complexities to it.

As the minister alluded to, a lot of work had to be done to demonstrate that it could be developed. The uniqueness of the project also involves that it is an area of New South Wales which abuts the territory border which is isolated from New South Wales by Ginninderra Creek and the Murrumbidgee River. There is no other form of access to get into that area. As to the project itself, as David explained earlier, the landowner in New South Wales also held land in New South Wales and then approached the territory about entering into jointly developing the land.

MS CHEYNE: In terms of community engagement in December last year, and I have

seen some Facebook posts about continuing this year, I want to go to the Spark program. The graduation ceremony I attended was, pretty frankly, inspiring. How does that work, and does the LDA support that at all? Is it one of the conditions of the joint venture that Riverview create those community connections and employment opportunities, or have they just done it off their own bat?

Mr Gordon: The project, when it was presented, had fairly high aspirations in terms of its environmental and sustainable values. It was presented in that manner. Then, in undertaking the project, obviously there has been a huge amount of consultation. But also it was about how we set out to measure the KPIs out of sustainable development. We have entered into the green star communities initiative to get a rating within that. Within that, it is not simply looking at environmental matters or sustainability matters; it is how you encourage employment, how you work with the local community, how you provide education opportunities.

Going back into a bit of history, we did a tour of Renewal SA's estates. We were struck by Elizabeth town to the north-west of Adelaide; they had a program not dissimilar to this. Obviously the demographics of that area are slightly different from west Belconnen, but they are working with disadvantaged people and trying to bring them into forms of employment, those first steps of getting into employment. We thought that was a unique opportunity to replicate in this project. It would demonstrate the commitment to the west Belconnen area, bearing in mind that the project has the potential to go for about 40 years, so there will be an enormous amount of employment and opportunities that come out of it. The project itself was to build that relationship with the community; providing those opportunities for training is an excellent move toward that.

Ms Berry: The whole idea behind that Spark program and the work of Riverview and Ginninderry in development is about making sure that the existing community is connected up with the new community that is being developed. The Community Services Directorate did some work in 2013-14, I think, in west Belconnen that looked at employment. What was being found there was that there were not a lot of jobs for young people within that area.

I think the Riverview Group did some work out there as well, having a look at opportunities for the existing community to get employment out in this new development, particularly young people within the area of west Belconnen and north Belconnen who were out of the workforce and were disconnected for lots of different reasons. This program gives them the chance to stay in their community and get a really good job opportunity. I think there has been really great success in the number of people who have gotten through the program and have had work experience and/or are now in employment.

MS CHEYNE: It would be remiss of me if I did not ask about Ginninderra Falls. How is that tracking? Do you know? Or is it largely in the hands of Riverview with the negotiations?

Mr Gordon: It is largely in the hands of Riverview as they work through the rezoning of the New South Wales area, but in that instance there is a lot of consultation that has come about as a result of looking at Ginninderra Falls and more broadly the river

corridor and the cultural elements that exist within that area of New South Wales. There has been a lot of communication and consultation as to how that part of the development will proceed and the areas that will be set back from the falls itself. As a lot of Canberra residents would know, Ginninderra Falls is a very attractive place to go to and it should necessarily continue to be so. The project is looking at how you might manage visitor attendance in the area without causing too much damage to the area. I think currently there is a gravel mine very close to the Ginninderra Falls.

MS CHEYNE: Yes.

Ms Berry: I think most of the committee has visited the site, so they would know it quite well.

Mr Gordon: The process itself will run through the planning system in New South Wales. I understand that it is just about to go on public release in New South Wales as it goes through their determination of whether it will go through an approval.

Ms Berry: Ideally, the memorandum of understanding that the Chief Minister has signed with the Yass council will be able to resolve the whole issue out there and we will not need to worry about that sort of cross-border arrangement. We can maybe come to an arrangement where the border is moved and we can take it all in and look after it ourselves. That is the ideal. That would be the ideal solution for all of this. We are working very hard. I think there is some willingness from Yass and from the New South Wales and federal governments; it is just how we actually do it, how we actually go through it. It is not an easy process, but I think everybody is willing to figure out how it is best done.

MS CHEYNE: Does the border changing require the New South Wales and federal governments to come to the table? Is that how it works?

Ms Berry: I think it does, doesn't it?

Mr Gordon: Yes. The process would require the New South Wales government and the commonwealth government to reach an agreement to move the border.

Ms Berry: And the Chief Minister has met with the New South Wales government and raised this specifically.

MS ORR: I want to pick up on the green star environmental things that you were looking at to do with Ginninderry. Specifically, I had heard that they were looking at options with gas and also around electric vehicle provision. I was just wondering if you can update us on where those two considerations are up to as well as any other things that you might be considering from a sustainability perspective.

Mr Gordon: The project is looking at reducing its dependence on non-renewable energies, so it is about the opportunity to have photovoltaic cells on every dwelling, for example. Then, in the first instance, the idea is that you would store power within the homes or use the inverter back into the grid. Then you would have a smart energy unit which would regulate the power back in through the home and back out to the grid. In the first iteration it is envisaged that it would work like that, and in fact you

could continue in that manner. The project is also exploring the opportunity to look at localised battery storage. You would not need each house to have a battery. Discussions are being had with ActewAGL about how that might work and the impact on their electrical network, and those discussions have been very successful to date.

As to the idea of no gas, though, there is the sense that gas is a diminishing supply so there is an ever-increasing price to it. The project is looking at “If you did not have gas, how would it work?” It can clearly work with photovoltaic cells: you can run your house fairly successfully and provide power back into the grid if needed. You will make a saving on your energy bills by having that—the number, I think, is around \$1,500 a year—as opposed to having a gas connection where you are using gas and you are paying for gas, which has an ever-increasing cost.

MS ORR: On the electric vehicles, I think they were talking about potentially putting the possibility for every home there to have them.

Mr Gordon: Yes, looking at enabling the homes to be able to have electric vehicles on them.

MS ORR: And just one last quick question.

THE CHAIR: Very quickly. I am conscious Mr Milligan has not had a word yet.

MS ORR: I promise it is quick. What processes do you have in place to take the learnings or successes of these sustainability processes and apply them to other developments that we might be looking at doing?

Ms Berry: That is a really good question. That will be the work of the new suburban land agency. Through the split of the LDA as it is now, we have a really good chance to look at the success of the whole story of Riverview, the way that they have engaged the community and how they have achieved the highest rating under that green star rating of six. How can we do this with other land development? The advantage of being in a joint venture or on an LDA-developed land or greenfield site is that we have a lot more control over what we expect from that development. That has been the case with this one; and also having a very enthusiastic partner in a developer like Riverview.

Mr Dawes: And some of the other initiatives there are around affordable housing. It could be unique. It is something that I believe we will be able to roll out across the broader development in that suburban directorate.

MR COE: I have a supplementary with regard to the actual work that is done on site in west Belconnen. Does the LDA engage any of those contractors?

Mr Gordon: No we do not. The joint venture has a project manager that does all the engagements.

MR COE: The project manager is also Riverview projects, is it not?

Mr Gordon: Yes, and that is typical of a joint venture. At Forde we had Forde

developments, who were a combination of Delfin and CIC. At Crace we had CIC and the project manager was fundamentally from CIC.

MR COE: How does the JV board actually ensure that there is value for money in the contracts that they are signing off on?

Mr Gordon: There is a procedures manual that looks at going out to tender for the high value contracts and ensuring that it is an open and transparent process about tendering for those works.

MR COE: What rules are in place with regard to project management fees?

Mr Gordon: The project management fees are linked to a percentage of the revenue of the project. It has a direct correlation to that revenue. As with all the other previous joint ventures, it has that relationship.

MR COE: You are saying that there are no project management fees being paid at the moment?

Mr Gordon: There are.

MR COE: There is no revenue coming in at the moment?

Mr Gordon: No, but it is hypothecated what the revenue is and on that basis, as we progress through the project, it is determined in that manner. You work out a monthly payment and then that is recorded in a budget statement.

MR COE: But what revenue is coming in for a lot of these projects where they are not selling land as such yet?

Mr Gordon: They will, shortly. In April we will be selling land.

MR COE: If it is a percentage of revenue and there is no revenue coming in—

Mr Gordon: Sorry, the project management fee is a project cost in the same manner as a consultant's fee is a project cost. Those costs accumulate within the project. As revenue comes in it pays back your expenditure and then you have the profit that is determined from there.

MR MILLIGAN: How does the LDA manage actual or perceived conflicts of interest?

Ms Berry: Who wants to answer that?

Mr Bulless: There are a number of ways that that is managed. At every board meeting the board members are required to update their conflict of interest registers; all staff who are employed as public servants are required to comply with the Public Service Management Act which has very stringent requirements around conflicts of interest. Since the audit we have, on a fortnightly basis, emailed all staff. The updates that I provide to staff remind them of conflict of interest provisions and their responsibilities

under those arrangements.

MR MILLIGAN: Is that since the Auditor-General's report?

Mr Bulless: Yes.

Ms Berry: Would they be doing that more than any other public servant?

Mr Bulless: I would imagine they would.

Ms Berry: I was just confirming that the LDA does more—

Mr Bulless: Reminding.

Ms Berry: reminding of the staff of the LDA around their conflict of interest reporting requirements.

MR MILLIGAN: Has it been changed at all since this auditor's report? Has the way you have managed perceived or actual conflicts of interest changed?

Mr Bulless: I can comment only on the recent position because I have been there only since November last year. Certainly the board, the CEO and the management team of LDA are very aware of the responsibilities around conflict of interest. In fact, shortly after the audit report was tabled there was advice provided to the board to ensure that all the conflict requirements were up to date and were applied in a more rigorous fashion. That then heightened the expectations on board members and on staff. As I said, since I have been there, on a fortnightly basis we remind staff in our all staff bulletins that they have a very clear expectation to keep those conflict of interest declarations up to date.

MR MILLIGAN: Do you provide any training or programs to staff in relation to conflicts of interest or integrity and ethics and—

Mr Bulless: There is a range of training provided, particularly since the audit as this issue has become heightened, on things around FOI, compliance, legal, how to write requests for legal advice, recordkeeping, records management and conflict of interest declarations. We have really, since the audit, as part of the governance project looked at all of the things that we do in terms of our processes and procedures and looked to improve those right across the board. Part of that process is education by putting people on courses, running internal courses, regular emails to staff; we have stand-up meetings regularly where the chief executive and I talk about issues like the reforms we have been implementing since October last year, things around legal advice, valuations, how we do acquisitions process in terms of compliance with the framework as we have discussed. We have been reinforcing these messages with staff on an ongoing basis.

Ms Berry: And it should be remembered that these are public servants. They are required to comply with the code of conduct as well. That has always been the case. That is not a new thing. They have always been required to declare any conflicts. It is just that now the LDA is being much more vigilant about reminding people of their

responsibilities.

MR MILLIGAN: Typically, what staff attend these programs or whatever? What level of staff engage in these programs? Is it all levels?

Ms Berry: Everyone, yes.

Mr Bulless: Yes. It transverses all staff in LDA. The expectation is: if you do not understand something or you have not had recent training then you will get it regardless of whether you are a new starter, someone at a low level or a senior executive.

MR COE: How do staff actually declare a conflict of interest, to whom do they make that declaration and how is it stored?

Mr Fitzgerald: The conflicts of interests are made via a paper form and are acknowledged by their manager and, depending on the situation, the relevant executive director. Those are stored within the HR department of LDA and are stored securely within that area.

MR COE: Have there been any breaches or any instances where either someone in HR or an executive, in effect, had to rebuke or counsel somebody for not putting in a relevant conflict of interest declaration?

Mr Fitzgerald: Not that I am aware of, no.

MR COE: And is it the same process for executives and any potential conflict of interest?

Mr Fitzgerald: Yes.

MR COE: If an executive does have a conflict of interest, how does that actually translate? How would anybody know whether that conflict of interest actually means that the relevant person is not engaging in the conflict?

Mr Bulless: As part of being a senior executive, when you get your contract you are required to declare a range of interests, things that you hold as property. It is the same as for ministers. You declare a range of interests and you are required to update that as those things change over time. It is incumbent on the senior executives and is required under our contract and the expectations under the Public Sector Management Act that if there is a change in those or you become aware of a potential conflict—it does not have to be actual, it can be potential—you will advise somebody of that. That is usually up through the chain.

Obviously it is about the expectations about good judgement and about being aware of those and what conflicts are—and that is why conflict training is so important—but, like all activities in life, it relies on people doing the right thing. We do not have a process of going around and checking people; what we do is expect people to comply. We publicise that on a regular basis so that people are aware of what the expectations are and that they are required to do things.

MR COE: Do any executives have any financial interest in any company which is engaged by the LDA?

Mr Bulless: That is a very wideranging question that we would need to take on notice.

MR COE: Please do.

THE CHAIR: Could you also take it for board members as well? That is equally an issue, I guess.

MR COE: I am curious whether the government has settled with the Dickson Tradies or the CFMEU on a land swap arrangement.

Ms Lopa: Are you talking about section 72 in—

MR COE: No I am talking in particular about the car park out the front of the Dickson Tradies.

Ms Lopa: My understanding is that back in 2013, before I joined the agency, there was a request for tender for the car park outside the Dickson Tradies Club, a public request for tender that was done out of economic development at the time. My understanding is that the successful tenderer for that car park was the CFMEU and the payment that was part of that tender included the land that they held in section 72 in Dickson and then a financial transaction for what the difference in the values was. It was before my time but that is my understanding.

MR COE: Who owns that block?

Ms Lopa: Outside the Tradies Club, the car park? My understanding is it is the Tradies. I am not sure what the entity is, whether it is the CFMEU or the Tradesman's Club, I would have to look at that.

MR COE: What happens to the revenue from the parking on it?

Ms Lopa: I would have to take that on notice. I am not aware who collects that. As I said, it was before my time but I can look into that.

MR COE: If you could take on notice the information like dates et cetera, number of tenderers in the RFT or RFP in 2013, the date that the contract was engaged with the relevant entity—

Ms Berry: Just before you keep going, I think this might be an EDD question, is it?

THE CHAIR: Yes.

MR COE: We have had an offer to take it on notice, that is all.

Ms Berry: We can take it on notice but just so you know that it is not in our—

PROOF

MR COE: Sure. My understanding is that the ACT government still has title over that block. I would be very curious to know if indeed it has transferred. With regard to Dickson section 72, what role did the LDA have in negotiating that outcome?

Ms Lopa: I believe—and I will clarify this through the answer to the question on notice—that it was an economic development request for tender at the time and not the LDA back in 2013. But I will confirm that.

MR COE: About two years ago the LDA did do a consultation on section 72 and the transfer of the training organisation to the CFMEU took place, I believe, only last year or perhaps 2015. I am pretty sure the LDA was involved in that transaction, were they not? It is in the budget for last year that that happened. What was the LDA's involvement in that block?

Ms Lopa: I am not aware that the LDA has actually done any public consultation on section 72. I know our housing renewal task force in economic development has and I know the program and strategy design area of economic development did do community consultation around a territory plan variation but I will come back to on that. I could be mistaken.

MR COE: Mr Dawes, what involvement has the LDA had in purchasing that block off the CFMEU?

Mr Dawes: As Ms Lopa said, we will provide you with all the information in the one answer.

MR COE: Are you able to advise what you know of—

Mr Dawes: I think we will provide you, as we have said, with a full answer.

Ms Berry: I am a bit confused. Which one are you asking about now?

MR COE: I am asking about section 72, which is where the training institute is—CSI, I think it is called.

Mr Dawes: Yes, we can provide all of that in the one answer.

THE CHAIR: Yes, and the Downer club area—

MR COE: That is section 72.

Mr Dawes: Yes.

THE CHAIR: I went to the community consultations and I am trying to remember which entity of the ACT government ran it. I remember going to them.

Ms Lopa: Could I ask that, in your question on notice on the car park site that you are referring to, you block and section it? It is the one outside the Tradies club in Dickson now?

MR COE: Yes, I believe it is pretty much the one between the Tradies and Woolworths.

Ms Lopa: Near Maccas?

MR COE: I am pretty sure it is that one.

Ms Lopa: Yes, we are talking about the same one. I know which one you are talking about.

THE CHAIR: I refer to the rural land purchases on the western side of Canberra which the public found out about in the *Canberra Times* article in February 2016. The article said that the properties all fit within the criteria established in the government's 2012 planning strategy, which identified the western edge of the ACT as suitable for future use. It is not attributed but is that still the view of the LDA? Is that the situation?

Ms Berry: There is probably still a lot of work to do on that. There is a lot of work to consider whether they would be appropriate or not before anything would happen, and that would be a long time into the future.

Mr Gordon: The 2012 planning strategy that you are referring to is probably where the paper got the information from. It refers to the information in there; it identifies a polygon on the western edge of the territory and future investigations. It is zoned as broadacre. Typically, within the ACT there are areas of broadacre that are reserved as the city grows. It would be natural for the *Canberra Times* to have made that assumption.

THE CHAIR: You are saying this is—

Mr Gordon: I am assuming that is what you are quoting from.

THE CHAIR: an assumption by the *Canberra Times*, not what LDA believe?

Mr Gordon: No, I was referring to your question where you said that the *Canberra Times* made that—

THE CHAIR: Okay, the *Canberra Times* made the statement.

Mr Gordon: Yes.

THE CHAIR: But is it the LDA's belief as well as a statement by the *Canberra Times*?

Mr Dawes: It does go back to that 2012 study.

Mr Gordon: Yes. The study identifies the area for future investigations. So that land is capable of future development if it is required.

THE CHAIR: ACTPLA has not yet actually done those developments.

Mr Gordon: No.

THE CHAIR: So on what basis did you decide that the ACT government should be buying it? It has not yet been identified for future development.

Mr Gordon: It has not as yet. To further the discussion, the LDA is undertaking some further capability assessments of that area. At this point we have undertaken sufficient due diligence to see that, in terms of its topography and the availability of environmental studies at this point, the land is capable and has a direct correlation to the adjoining Weston Creek and Stromlo areas. So it has potential for future development, and if the territory elects to go down that path, through the appropriate processes, it could be available for development.

THE CHAIR: On that basis is there any land in the ACT that the LDA could not buy? Clearly, ACTPLA has not yet identified this for future development, so apart from the national park, presumably anything could be developed in the future? Is there anything that the LDA would regard as inappropriate to buy?

Mr Gordon: The LDA has had some landowners approach it for the opportunity to sell the land, and the LDA has looked at it and has not seen an immediate need to go down that path. So it makes its decisions at the time it is reviewing those blocks of land.

THE CHAIR: So you saw an immediate need for these?

Mr Gordon: It is not an immediate need. A number of these properties had people who occupied them on 99-year leases and they were coming to the end of their time of occupation. A number of them were aged. In one instance there was a company that owned the Huntly estate. The late John Gale—I think that was his name—was on that property. John, going into retirement, owned that company, and approached the LDA to say they would like to work out how they could sell the property. We were interested given its very close proximity to Molonglo and the Belconnen area.

THE CHAIR: Has any subdivision happened subsequent to your purchase?

Mr Gordon: No. The properties are still being run as rural properties.

THE CHAIR: They are being run as rural properties, as they were previously?

Mr Gordon: And they will continue to be run as rural properties.

MR COE: I have a supplementary. What about the two Stromlo blocks? What was the rationale for buying those two?

Mr Gordon: One of the Stromlo blocks is Huntly. So the district of Stromlo extends from the western edge of Molonglo and the western edge of Weston Creek, and it goes down to the Murrumbidgee and north to the Molonglo River.

MR COE: What about the other Stromlo block? Where is that?

Mr Gordon: The one in question is Fairvale, which is on the Cotter Road as you—

MR COE: Yes, on the left-hand side.

Mr Gordon: On the left-hand side of the Cotter Road. As you proceed down, you get to a bend where the mountain starts to taper into the flat ground.

THE CHAIR: We are, unfortunately, out of time for LDA. Thank you very much for your time, minister and officials. We will have a brief intermission and the minister will come back in a different guise.

Hearing suspended from 3.29 to 3.40 pm.

THE CHAIR: We are now on policy, strategy and infrastructure delivery of land release. Minister, I think you said you had made your statement for the afternoon.

Ms Berry: Yes.

MR MILLIGAN: Can the directorate give me an indication of the rate of detached dwellings that have been approved across the ACT over the past three years?

Mr Dawes: I will ask Mr Tennent to come to the table to provide all of that data.

Ms Berry: I think it is important as our city grows that we make sure we provide a mix of dwellings so that people have as much choice as possible. That is what we intended to deliver and will continue to deliver.

Mr Tennent: Our directorate does not actually approve dwellings. Our directorate releases land such that individual home owners or builders or development entities can then seek approval. In terms of the mix of land release over 2015-16, it is a pretty good news story. We released over 1,000 single residential dwelling sites, which was the highest level in quite some time. In terms of the multi-unit market, we supplied around 2,800 dwelling unit sites into the market. The land release program is progressively being rebalanced from a period when there was a high proportion of multi-unit dwellings. We have seen more suburbs coming on stream, particularly in Gungahlin, and environmental approvals being granted across Molonglo. In the land release program going forward, we will continue to see a much better availability of different dwelling types, particularly in west Belconnen.

MR MILLIGAN: Do you know the rate of apartments and semi-housing compared to completely detached housing?

Mr Tennent: Are you referring to dwelling approvals?

MR MILLIGAN: Yes.

Mr Tennent: I will have to take that on notice.

Ms Berry: That is with planning.

Mr Tennent: Yes, it is with planning. That is in the planning directorate. They are the ones who grant the approvals for dwelling types.

MR MILLIGAN: Over the next three years or the next 12 months, what percentage of land will be available in the next 12 months?

Ms Berry: The next 12 months?

Mr Tennent: In the next 12 months we forecast putting out just over 4,000 dwelling sites. The mix there is around 1,200, which we refer to as single residential or compact blocks, and around 3,000 that will be multi-unit housing. As we go further down the track and start to see the releases in Denman Prospect, as well as the suburb of Taylor and the continuing releases in west Belconnen—again, this is our land release program going forward—we will see an increase in the number of single detached residential, getting as high as around 2,500 per annum in coming years.

MR MILLIGAN: Did you say 4,000 dwelling sites?

Mr Tennent: Yes.

MR MILLIGAN: With 3,000 being multi-dwelling sites? Do you see that there is a high demand or a need for multi-dwelling sites?

Mr Tennent: The mix of dwelling sites released, I guess, gets back to the objectives of the land supply strategy. As well as satisfying demand across the territory, it needs to achieve some important planning objectives of the government. In terms of the demand for specific dwelling types, the government has enabled the private sector to deliver a range of product. In terms of the demand for the medium to higher density product, we currently have around 13,000 dwellings in the hands of the private sector; 6,000 of those are coming out of the ground.

Analysis of the market which we undertake suggests that there is still pent-up demand for housing. We have seen vacancy rates over the Christmas-New Year period and as we roll into this particular year at around 1.3 per cent, which is well below what we would regard as a balanced market. Certainly when it comes to rents and the prices, there is no indication to suggest that we have a significant oversupply. We monitor private sector development very closely and, as you know, the government is not in the game of actually building product. It is enabling the private sector to deliver product in a competitive, viable way. We monitor that very closely, and we adjust our land release program accordingly. It is clear that we need to start ramping up single residential. There are many opportunities going forward over the next four years for that to be achieved.

MR MILLIGAN: How do you measure what is out there, the number of sites needed, to keep the marketplace stable?

Mr Tennent: We start with our housing supply and demand model. This is a model managed by economic development. It has been peer reviewed across all government agencies. The input that we take into account is, of course, population growth. The

very latest forecasts for population growth suggest that what we have been seeing over previous years will continue into the future.

We are looking at a demand of around 2,800 homes per annum. Interestingly, over the past 10 years we have been releasing dwelling sites to respond to that demand at a level of around 3,700. That adds up when you start to look at the size now of the private sector pipeline. There are about 200 active projects mixed throughout both greenfield and infill estates in the hands of the private sector.

In terms of sites released, one site release does not always necessarily translate to one dwelling. We allow that flexibility within the market so that if we put a site out, it has the potential for 250 dwellings. We still have the opportunity for the developers to assess the market on their own merit and then deliver what they think the market requires within the existing zoning or lease purpose clause on that site.

MR MILLIGAN: Developers are the main business that comes through the LDA for land release, compared to private or individual?

Mr Tennent: I think 4,000 sites were released over 2015-16. There was a mix of englobo releases, particularly in Denman Prospect, to the private development industry, as well as quite a number of LDA estates. We have sites that go out which are undeveloped which the private sector can then take control of, and then we have sites, of course, where the LDA play a very important role in developing the suburbs. One of the objectives of the land release program is not only to return a dividend, I guess, to the government and the community but also to foster a competitive and viable development sector, whether that is land development—

MR MILLIGAN: How do you determine how much of this land release is going to be developed by the government versus the private sector?

Mr Tennent: Typically, it is on a case-by-case basis. Of late, there has been a number of opportunities that have lent themselves to englobo development.

Ms Berry: There are three types. There is a land development only area, and all of the benefit comes back to the community. If it is a joint venture, it is half. If it is by a developer, we do not get the gain out of the future development from the sales like we would if it was the Land Development Agency. The community does much better out of an LDA-managed sale and release program.

MR COE: Can that categorically be said as a return on investment, as such?

Mr Dawes: There has been some data that has been done.

MR COE: In every instance? Have there been some instances where the englobo sale has returned a better yield than the fully developed LDA site?

Mr Dawes: I suppose the differential between the englobo sale is that if the LDA estates do it, rather than, say, the developer picking up the developer's margin, the LDA has picked up that development margin which has flowed back as a dividend to government, which helps fund schools, hospitals et cetera.

MS ORR: I have a supplementary. I am just picking up from Mr Milligan's line of questioning. Mr Tennent, you mentioned apartments and detached dwellings. I am interested in what some people refer to as the "missing middle". What consideration of housing types in between apartments or detached dwellings is there, particularly with regard to the underlying demand decisions and the land release program?

Mr Tennent: The role that my team play in the land release program is releasing a fairly broad land release program that then enables the developers themselves—be it englobo, the private sector or the LDA—to then go down the path of developing an estate development plan. That is where the decisions are made around housing mix and housing type. We feed into that. Obviously we play an important role in terms of monitoring the market.

The missing middle is something that we are absolutely aware of. There are certainly some exciting developments ahead, particularly in Ginninderry, in terms of how they are going to approach delivering quite a broad mix, probably the broadest mix that we have seen in housing types in quite some time. It is an iterative process. We have been hearing about falling numbers of persons per household and increases in single person households. The planning directorate is also very much aware of the changing face of the ACT. The land release attempts to respond to that at a broad enough level, such that those who do get their hands on the land can then engage in that estate development process and respond to the market based on how they are seeing it as well.

Mr Dawes: As we develop these programs, we work with industry, the HIA and the MBA. We have a residential advisory council and commercial advisory councils. Industry is represented there. We provide the data that we have. We obviously look for an exchange as well. I suppose we are using the word "developer" a lot. A distinguishing feature there is the builder, who probably would not like to be classified as a developer. You will find that some builders or even small-scale developers will buy a unit site or in some of greenfield sites which might have a mix of a higher density and terraced housing. They have bought those and converted them into what we call townhouses on a site. Part and parcel of the program, as Mr Tennent has pointed out, is to build that flexibility in, so they do not always have to build high density on some of those sites. They can actually substitute it for townhouses or even terraced housing if they so desire.

MS ORR: Do you have any indications coming back through your programs as to what the demand is at the moment for that middle sort of product, as opposed to apartments?

Mr Tennent: We have not quantified it. There is a piece of work that I understand is in development with the planning directorate about choices around housing. Again, we have had some input to that based on our observation of the market, as well some of the consultation that we do with industry. A lot of that is being considered. It certainly will be a feature going forward to try to really get the precise mix.

MS CHEYNE: I just wanted to clarify: with the indicative land release program there is the table and the map. Are there plans underway to improve or update the map? I

ask that because in its current form it indicates the number but then it just points to the broad region; whereas the table splits it down into: this much is going to be released in west Belconnen, this much in Charnwood and this much in Belconnen. Because the map only points to the whole region, it can sometimes be a little difficult to see, in one year alone, where exactly the land release is going to be, and also cumulatively. When the program is released, perhaps there could be a map at the end that shows, for the next four years, what you could expect to see across a whole region. Are there any plans underway to review how that map looks? After my 10-minute preamble!

Mr Tennent: The land release program is released in conjunction with the budget; not as part of the budget but at the same time. So we are right in the throes of preparing the next four-year program. As part of that, it is not just the numbers; it is also how it gets presented. I appreciate your feedback, and we will certainly take that on board.

MS CHEYNE: Great. Having looked closely at the program over a number of years, I have seen that some things have been on and then drop off. There is a site in the Belconnen town centre, the car park next to the Belconnen Community Centre, that I think has dropped off, but it has still got a sign in the car park saying, “This site has been identified for future release”. If you look it up online it says there is a time at which it will appear on the land release program, but not for a little while. What are the circumstances in which that can change, that something is on the program and then it drops off?

Mr Tennent: This is based entirely on our research and our interaction with the industry. I should qualify it by saying that the land release program has a word at the front of it which is “indicative” land release program. That allows us the flexibility to respond to changes in the market. These changes happen slowly. There are often lag effects as well; it takes some time for things to come out of the ground. We have certainly been careful about what we have been doing in Belconnen. We are mindful of the volume of development that is going on there, particularly some of the uplift that has occurred after we released this site. This is the sort of flexibility, fortunately, that the land release program provides.

THE CHAIR: Can I ask a follow-up about the land release program? There are a number of sites which are subject to Territory Plan variation. Speaking as planning committee chair, I am interested in what you see time-wise coming through to us. Can you give us any suggestions? Particularly, I suppose, with respect to Mawson, is that the Territory Plan variation which was put out a week or so ago?

Mr Dawes: Your question is very timely because one of the key things about the land release program is to put out a four-year land release program. Again the community gets a chance to look at what that land release program is or may be, and it gives us an opportunity to go out and do some community consultation as well. That is why it sometimes moves around a little.

If you look at the car park in Belconnen that we just discussed, I had some discussions with the Belconnen Community Council, but, more importantly, I then went back and met with people in the Belconnen community centre, the library et cetera. That had quite an impact on their parking, to get to that facility. We then went back and discussed it internally. We have actually pushed it into the outyears, until we can look

at some of the issues around car parking. We also looked at the volume of apartments coming through in that Belconnen area. As Mr Tennent pointed out, with some of the land that we have taken to the market, we have had an uplift in numbers as well, and we have a look at that. It does move around a little. Also, where there is a Territory Plan variation, we know there is a process to go through with that. It is always good to inform the community of some of our thinking. It gives us an opportunity to go out and do that consultation.

THE CHAIR: With these Territory Plan variations, are they all expected to be full, or are you thinking they are technical variations?

Mr Dawes: That again will be determined through the planning directorate, as to what might be a technical amendment. My experience is that most of them would be a Territory Plan variation.

THE CHAIR: I would anticipate so. You should be able to confirm right now whether the Mawson one is or is not the current Territory Plan variation that has just been put out for consultation. I assume it would be.

Mr Dawes: That is my understanding.

THE CHAIR: If there is another, I would really like to know.

Mr Dawes: If it is not, we will advise you.

THE CHAIR: Thank you.

Mr Dawes: But that is my understanding.

MS CHEYNE: I have two more questions on that. I completely appreciate and think it is the right decision with respect to something that might be on the indicative program and then to say, "No, we'll move it into the outyears," particularly with that block of land. But some of the feedback I have had from the community is that having that sign remain there, even though it is helpful so that the community gets used to the idea, gives an impression that it is imminent. Is there a way to still raise awareness in the community while giving a better sense of likely time frames? Is there anything in the works to do that or do you get feedback?

Ms Berry: It is one of those challenging things. It is never going to be imminent. I think that is the reassurance. But because things can happen, human behaviour can change, other developments might occur that the government has not had any real responsibility for, it might be on there and then we might say, "Hang on a minute, now this one's happening." For example, the one at Jamison seems to have come back to life. It is about being able to be a little bit agile around all of that. I can understand the community being concerned about seeing a sign, but if you take the sign down, they will forget, and then they will wonder, "The sign wasn't there. Why didn't you tell us?" So we will try to do our best; that is the thing.

Mr Dawes: Our experience in the past is that, where we have put a sign up for sale, when people did not have that expectation, that has caused quite a bit of angst. There

was a site in Belconnen, at Hawker, where there was not a lot of consultation. As you know, I did quite a lot of consultation with that group. So we are trying to avoid those sorts of things, as well as giving people plenty of notice.

Ms Berry: It is better that we let them know, I think. It is better that we have it there and then explain why, rather than not have it there at all, perhaps.

MS CHEYNE: Finally, if the CSIRO site goes ahead, what impact could that have on the program of land release in Belconnen? Could it have an impact on the rate of land release in Ginninderry?

Mr Tennent: I would think yes, the magnitude of which we will have to wait and see. We have not seen enough around CSIRO at the moment. We know a rough dwelling yield. We know a rough time frame. In a sense, we would welcome another development front, in terms of providing housing choice. CSIRO obviously will play a role, if it ever gets out of the ground.

Some of the early consideration around the land at CSIRO has been of a certain quality of product aimed at a certain audience. I think that is a very important consideration within land release. Not every piece of land, every estate or every suburb where we release land is competing against each other. We are offering choice right across the board in terms of type and also price. Certainly, going forward, there is an opportunity to have a differentiation in terms of affordability and what the expectation might be among buyers.

Ms Berry: Land release will be one of the things that will be affected by CSIRO. Of course, there are the ACT government's infrastructure programs: everything we will need to do around schools, shopping centres and roads. Everything that connects a new suburb to the existing community will impact on the rest of the ACT community.

With respect to the challenges with the CSIRO site which continue, they will not be required to be approved through the ACT planning act; it is being done through the NCA, the National Capital Authority. That could lead to some issues later on because the planning requirements that the ACT has might be different. We might have more requirements on the quality of a footpath, for example, than the NCA has. When we end up with it later on, the LDA and the ACT government are left with a poorer quality product and have to fix it up.

Apart from land supply, which is one issue, we have all these other planning issues, and we would have to consider, as a government and as a community, how we respond on a number of different fronts that we have not really been responsible or have planned for in the short to medium term.

Mr Dawes: If we look at the development that is going on in Gungahlin, we have started virtually the last suburb in Gungahlin, which is Taylor. We delivered Moncrieff in less than two years: 2,400 dwelling sites. Five civil contractors did the work there. Throsby is just about completed. We had three civil contractors working on that. With Taylor, we have already let two contracts on that. That is pretty well the last suburb. There are obviously some sites that will come on to the market over time, but Taylor is virtually the last suburb in Gungahlin.

MR MILLIGAN: I have a supplementary to what Ms Cheyne was talking about in relation to CSIRO. Has the directorate or the government had discussions or meetings with CSIRO? If they have, can you give any indication of what was covered off in those discussions?

Mr Dawes: Yes, we have had some discussions with CSIRO.

THE CHAIR: Can you give any more information?

Ms Berry: What we could say is that CSIRO has asked for expressions of interest for a joint venture. The government has decided, for lots of different reasons, not to apply and not to participate in that project. As far as I know, it is still seeking a joint venture partner. We are waiting to hear who that could be.

MR COE: Why didn't the government choose to put in at least a tender or a proposal?

Ms Berry: There were a number of reasons. We have just talked about one, about the planning issues around whether or not the ACT would have planning approval or whether it would be done through the National Capital Authority. I might need to be corrected if I am wrong here, but I think that is an unusual situation for the ACT to develop—

Mr Dawes: I am not sure.

Ms Berry: We are not sure.

MR COE: But if the ACT government either put in a proposal with certain criteria or with certain standards, or was at least involved in the project, wouldn't you have a much better chance of getting the standards that you are looking for?

Ms Berry: That certainly was not the case, from the conversations that were held. The government decided on this occasion not to be a joint venture partner with CSIRO on that site.

MR COE: Was that a decision of cabinet?

Ms Berry: I would have to take that on notice.

MS LAWDER: Are you able to outline how you determine prices of individual blocks when you are releasing land?

Mr Dawes: With the individual blocks, Daniel Bailey might like to talk about that. Obviously, this is more of an LDA question than an economic development one, with respect to land release. We have a number of different methods. We go for either a ballot or an auction or in some cases expressions of interest. We then have valuations done to determine the prices.

Mr Bailey: To set the valuation for a property, we will get two different valuations

from two different firms. We will look at those valuations and, if they are within a reasonable percentage, we will take the average of those. But if they are actually apart, we might sometimes have to go to a third valuation to set the price. The process has been in place for a number of years and it is working quite well.

Mr Dawes: What we have tended to do is that, where we auction blocks in some of the suburbs, we release all the information and reserve prices along with those. If you look at, say, Lawson and Throsby, prior to those auctions, we released the indicative prices.

Mr Bailey: With the Taylor ballot that we currently have in the market now, the reserves are printed out and released with that. We have done that, as we have done it before with other developments.

MS LAWDER: In the past there have been some auctions that have sold out extremely quickly. Have there been some where not all the blocks have been sold? Do you evaluate the reasons for that?

Mr Dawes: We always look at that. Even through a ballot system, you can take blocks out to a ballot and they are not all sold, and they just become available over the counter. If you take them to auction and they are not sold, they will then sit on the counter for a sale. They are there and available for anyone to purchase, whether is it a builder or a private mum and dad who want to buy a block of land to build their home.

Mr Bailey: We find that our success rate is just like with the private market on the weekend. We do not expect that everything will sell via auction, and a number of the properties actually sell better over the counter. There are a number of buyers that actually prefer to buy over the counter. We see that as a positive thing to have stock available there as well.

MR MILLIGAN: What do you think the success rate of the sale of land at Throsby has been, in comparison to other areas like Moncrieff and other division developments?

Mr Dawes: Throsby has been quite successful. How many of those builders packages have we sold?

Mr Bailey: Eighteen.

Mr Dawes: Yes, 18 builders packages that have all gone as well. So there are still a few blocks available over the counter. Overall, it is a unique suburb. It is only a small suburb; it backs on to Mulligans reserve. It is only a few kilometres from the city, so it is a unique suburb.

MR MILLIGAN: How is it unique in comparison to Moncrieff, Forde or Bonner? How does that warrant the prices of land per square metre?

Mr Dawes: We did not set the price; the auction did that. When you think about it, we sold 106 blocks in one day. We had, a month out from the auction, printed the reserve prices. People went along and obviously felt it was a premium suburb. I did not hold

anyone's hands up to buy that land.

MR COE: How many were returned?

Mr Dawes: None at this point in time.

MR COE: Are you talking about the first stage?

Mr Dawes: Yes, 106; none of those has been returned that I am aware of.

MR COE: None at all. What about the second lot that was sold?

Mr Bailey: We subsequently ran a ballot process. We still have around 70 of those for sale over the counter. They are progressively selling, so they are moving away as well.

MR COE: How many were put up for ballot and how many were—

Mr Bailey: Just over 200 were put up for ballot. I might confirm that number for you. I might be a little bit off there.

THE CHAIR: Yes, take that on notice.

Mr Bailey: I think it is around that mark.

MS LAWDER: Apart from land around the Lake Tuggeranong area, is any other land release planned in the Tuggeranong area over the coming period?

Mr Dawes: Not that I am aware of, unless there is the odd little urban renewal site that might become available. But there is nothing once we develop South Quay or finish that development; that is it.

THE CHAIR: I have a question on the land release on what I am told is called the tip of Coombs but what I would have thought was the peninsula of Coombs, the bit out the end and very close to the river, at the northern end of Fred Daly Avenue. It went to ACAT a few years ago and was put on hold. Do we know what is happening with that?

Mr Dawes: I will get Mr Gordon to answer that question. That was obviously after it went to ACAT. That was a discussion and an agreement we had with the conservation council and it was agreed that we would go back and further discuss any further releases of that particular land.

Mr Gordon: The hold-up at the moment is that we are waiting for the plan of management for the Molonglo River corridor from EPSDD, which will define that interface area. I understand that is very close to being finalised. Once that information comes through, then we can define the limits of that tip for any future development. It is like getting the Territory Plan ticked. Once that is agreed we can move on.

MR COE: What you can tell us about the future—and I mean long term, 20 and 30 years—options for land release in Canberra, places like Kowen and elsewhere?

Mr Tennent: Our team also, aside from just the four-year land release program, does a piece of work on future of urban development fronts and we do that in conjunction with the planning directorate. I know the planning directorate at the moment is working on their new strategic plan for the ACT. We have heard today already about the western edge and how it appeared in the last planning strategy. We have obviously been responding to that.

There has been a piece of work looking at all of the potential areas around the ACT, including Kowen. It has been a cross-directorate piece of work. I guess the main focus of that has been whether we can provide some sort of SWAT analysis on how we would rank each of these particular areas. Clearly there are some things that are showstoppers; others lend themselves to, I guess, being the next urban development front. Again, we will be guided by EPSDD on this. The cost of infrastructure in Kowen is still quite significant and one that will be, I think, difficult to overcome in the short term.

There are other parts of the ACT which lend themselves to the existing infrastructure network that are firming, I guess, more as, medium term rather than longer term. That piece of work is continuing across directorates—as I said, with EPSDD—but we are certainly keen to see what the next planning strategy does, indeed, tell us about the next urban development plan.

MR COE: What areas are being assessed, even if there is only a slim chance or they have pretty much been ruled out? What areas are up for consideration in one form or another?

Mr Tennent: The western edge continues to come under close scrutiny and, again, the LDA are continuing down that particular path. As I said, Kowen is one that has come under quite a bit of scrutiny of late, just to see whether there are possibilities in the medium to long term. Tuggeranong to the west of the Hyperdome, of course, has been of interest over the past couple of years. We are continuing to look at that very closely and some of the challenges there. But again, this is a very early, high level simple SWAT analysis. We are not committing the government to anything or any particular direction; we are just doing appropriate due diligence across directorates.

THE CHAIR: Thank you very much. We will have our second tea break for the afternoon and aim to be back at the appointed time of 4.30. Thank you, minister, and officials. We will see you again shortly.

Hearing suspended from 4.18 to 4.28 pm.

THE CHAIR: I think that we are now quorate, and lots of officials are ready to start again with the Public Housing Renewal Taskforce. I believe that everybody here has already said that they have seen the privileges card, and we have already had an opening statement from the minister.

MS CHEYNE: Are we doing affordable housing at the same time?

MS ORR: I was going to ask that.

THE CHAIR: Public housing renewal and affordable housing. Sorry; I did not read both of them out. We are ready to start with questions. Mr Milligan, do you want to start again?

MR MILLIGAN: I was going to defer to my colleague, to Mark.

MS CHEYNE: You can change your mind, chair.

THE CHAIR: You wish to defer to Mr Parton. Go for it.

MR PARTON: I think it may be better to put them on notice, to be honest.

MS CHEYNE: I can start.

THE CHAIR: Would you?

MS ORR: We went that way. Can we go this way this time?

THE CHAIR: Okay, we will go this way this time. Let us go to phase 3 of the affordable housing action plan. What is the extent of the transfer of land or surplus properties to the community housing sector under action 3 on page 9? How many properties have been transferred over what period of time? You have got it on page 54, but I believe it is also on page 9.

Mr Tennent: I have carriage of the affordable housing action plan. The sites that have been transferred to the community housing sector via Community Housing Canberra total 523 sites since 2007, and 459 sites have been allocated for the construction of new public housing since 2007.

THE CHAIR: That is 459 sites for construction.

Mr Tennent: Yes, and that is public housing.

THE CHAIR: That is public housing, but what about—

Mr Tennent: The first number was community housing and the second number is public housing.

THE CHAIR: Okay.

Mr Tennent: I think there was also transfer of existing properties that occurred in phase 1.

Mr Dawes: We would have to double-check the number, but there were about 135 in the initial transfer to Community Housing Canberra back in 2007, something of that nature.

THE CHAIR: And those transfers to CHC are not part of the 523?

Mr Tennent: That is correct; they are in addition to those.

THE CHAIR: Okay. In respect of action 4 on page 10 of the phase 3 plan, were they all buildings or were some of them land?

Mr Dawes: The first tranche back originally when Community Housing Canberra started was public housing stock. They were existing houses. The rest have been land.

THE CHAIR: And it is full transfer? It is not a headlease situation?

Mr Dawes: It has been full transfer. Community Housing Canberra in some cases has paid for the land, and in some cases they have gone through in a land rent program. So they have had a mix of land rent and straight-out purchase.

THE CHAIR: It did not occur to me that non-individuals could land rent.

Mr Dawes: They were able to, and that is where they have been able to provide affordable rental accommodation for some of those tenants and some of the larger families. It has been very successful.

THE CHAIR: I always thought of it as an individual program, but that is good to hear. In relation to action 4 on page 10 of the phase 3 plan, have you developed the mechanisms to deliver social housing in the new infill developments and greenfield estates yet?

Mr Tennent: In the greenfield estates we have been achieving the delivery of social housing, again through the transfer of land and the sale of land to the community housing sector and also the public housing sector. In terms of infill, no, we have not achieved any infill as yet.

THE CHAIR: So zero on infill.

Mr Tennent: Aside from Downer, which was, of course, the CHC property.

THE CHAIR: Yes, but the majority of which will not be social housing, according to my understanding of that. Are you looking to try to—

Mr Tennent: Sorry, there were also six properties in Kambah, which would be the six Kambah asbestos-affected properties which were the bonded asbestos properties. They were also—

THE CHAIR: And they have been transferred to Community Housing Canberra?

Mr Dawes: They have purchased those.

THE CHAIR: They have purchased those.

Mr Dawes: Purchased the land, yes. We have demolished them and they have purchased the land.

THE CHAIR: That makes a lot more sense than purchasing them themselves. Have you got plans in other infill areas to have some mechanism for affordable or social housing?

Mr Tennent: It is currently under investigation. You would be aware that as part of the parliamentary agreements going forward there is a desire or a need for a new housing strategy. Obviously the changing nature of development and settlement in the ACT is heading down the path of needing to accommodate affordable housing within existing communities a bit more. So yes, it is part of a current and ongoing discussion.

THE CHAIR: How many dwellings have been created to date in the greenfields area given the existing requirement, I understand, for 20 per cent of all new dwellings to be under the affordable price threshold? How many dwellings does that translate into?

Mr Tennent: To date, 2,650 dwelling sites have been provided for affordable home purchase. On top of that, there are another 2,025 dwelling sites that have been released under land rent over that same period.

THE CHAIR: When you say “sites”, some of those would be units in an apartment?

Mr Tennent: Yes, that is correct.

Mr Dawes: And the land rent blocks would be individual blocks.

THE CHAIR: Yes. You do not do land rent for multi-unit sites, as I understand it.

Mr Tennent: Yes.

THE CHAIR: With that, which is obviously a good number, I have heard anecdotally that in some cases this is effectively being rorted: they are sold as affordable but somebody fairly quickly makes a profit out of them. Is that your understanding? And what is being done about it?

Mr Tennent: Some of that has been brought to our attention. We are continuing to look at it, but the important thing is that there is still a requirement, and it is under section 246 of the Planning and Development Act, that despite these being listed as affordable housing, they are sold at market rate. Typically, they are smaller blocks and the value is determined by independent valuers. I guess the affordability component comes out of the fact that it is typically a smaller footprint, whether it is a compact home or whether it is a unit. Arguably, they are being transacted at market rate. In instances where windfall gains have been suggested, we are continuing to look very closely at that, going back to the deeds and then looking to see how that may have occurred. That is informing some of the discussion at present about how we might go forward, noting, again, that one of the parliamentary agreements was to focus on restricting, reducing or eradicating windfall gains.

MR PARTON: How do you go about stopping that from happening? You say you are investigating a number of instances where it appears or where it has been alleged that people have gone down the path of profiteering from that. How do you stop that if it is essentially an affordable block because of the size of it? What jurisdiction do you

have to stop that from happening?

Mr Tennent: There are a number of things that we could investigate with respect to limiting the resale. There are some provisions in place at the moment, David, aren't there, on the resale? Sorry; there were for OwnPlace under the early iteration of the affordable house and land product. I cannot quite recall what the time period was.

Mr Dawes: It was five years. The other important thing is that part of the investigative work that the department is now doing is to look at one of the great things we have here, the leasehold system, and how we might build some of those restrictions into the leasehold. As we come out with an updated affordable housing action plan, we are just looking at how we might be able to implement those to ensure that those sorts of things are not occurring. We are just getting some legal advice around that to look at how we can restrict it.

Ms Berry: These are some of the focus areas in the conversation that we want to have over the next year or so around housing and homelessness, defining different types of product that people might like: smaller block sizes, cheaper homes, refining the eligibility of people who have access to government-delivered affordable housing, ways that we could do that in the ACT with the levers that we have control over and exploring some government-managed affordable home purchase programs and interventions, including things like shared equity and innovation funds. They are just the start. I am hoping that there will be other people who have different innovative ideas about how we can get more people who do not fit into the kind of market we have, who are not in social housing, not in community housing and not able to buy a home of their own, into a home; getting into the second quintile income bracket and making sure that we can get them into a home and that it is their home for as long as they need it.

Mr Dawes: The other thing that we are looking at doing as part of that joint venture in Ginninderry is that in the display village we will be building some affordable product to exhibit and show what can be done. That is another start of where we have smaller parcels of homes being built on smaller blocks and it is being integrated into the suburb. These are the sorts of things that we will be able to make some assessments on and where we will be able to look at how we could possibly put those into other areas of the ACT.

MR PARTON: When you talk about the affordable housing plan in those new developments and them being basically small blocks and that being why they are affordable, I have had conversations with couples who have three and four kids and they say to me, "Hey, it's wonderful that there's these affordable housing blocks, but it's not going to work for us because we need a bigger house than that." You must get that feedback.

Ms Berry: That might not be the product for them, though.

MR PARTON: Yes.

Ms Berry: It could be that a better option for them is through community housing. They might fit better into that category where they might be able to get a home that

better suits their needs for the size of their family. But these are all the kinds of things that we want to have a look at: what kinds of partnerships can we have with developers, builders and the real estate industry, building something that meets the needs of people, not just the need to make a financial gain on housing.

Mr Dawes: And some of those people may be suited for the land rent blocks where people can buy on that sort of basis as well.

MR PARTON: Finally, you talked about 523 sites since 2007 transferred to CHC. That started with the initial 107. What does the line look like over that 10 years? Is it steady? There are 107 at the start. Is it about 50 a year after that or does it vary?

Mr Tennent: There is an MOU in place between LDA and CHC, and that is precisely at 50. We look at 50 per annum to be providing to them. There are some larger development opportunities that have gone through with a higher yield. That is on a case-by-case basis, but we certainly target a minimum of 50.

MS ORR: Still talking about rental affordability, what role is the government playing to address the cost of renting in the ACT?

Ms Berry: We have worked with organisations like Woden Community Service who provide support to people who are not just in public housing but in rental properties. They provide tenancies to support people who might get themselves into trouble around being able to afford their rent. They support them through that. They connect them up with financial support if they need it or develop a plan with them about how they might be able to afford to continue to pay for their rental property.

I think the focus has been to try to encourage people to have a look at that option rather than think that public housing is their only option. Looking at whether it is community housing or private rentals is the work that Woden Community Service does.

We also work closely through OneLink and the Real Estate Institute in identifying properties that are more affordable rentals. That is done through the kiosk at OneLink. They have got a kiosk where you can have a look and see if there is a property on there that meets your needs. There are a couple of things. Is there anything else? This is also one of the focus areas for conversation through the housing and homelessness work that we will be doing over the next 12 months or so.

Mr Tennent: Under the current iteration of the affordable housing action plan, which, again, is nine years old with 97 objectives, there have been a number of things tried that are still in place at the moment. We have got home share, we have got the youth foyer product, we have got Common Ground. I guess these are really targeted at those most in need.

It is interesting that with respect to affordable rental—again, it is always dangerous to talk about averages of averages—the Real Estate Institute came out this week with their latest measure of affordable housing. That was both through home purchase and also through rental. The average Canberra in the rental market is paying around

17 per cent of their income in rent. Again going back to the rule of thumb about if you are paying more than 30 per cent you are in some level of housing stress, it is important to note that even at the income quintile two, which is about \$95,000 annual income, there are still a number of affordable rental options available to that cohort.

MS LAWDER: You talked about the affordable housing action plan that is up to at least phase 3. The website has got some progress reports. Progress report phase 1 from 2008 and progress report phases 1 and 2 from 2011, but there is no progress report since 2011 on the website. Has there been a progress report since 2011?

Mr Tennent: There has not been a progress report.

MS LAWDER: Are there plans to do a progress report and when might that be?

Ms Berry: I think that is part of the work that we will be doing through the housing and homelessness conversation, having a look at what has been happening through all of those affordable housing action plans, what has been working, what needs more work to be done on it but also having a look more at what is happening across the country, looking at different initiatives that are working somewhere else that might work here in the ACT. Part of the work that we will be doing is an analysis of all of the three housing action plans, pulling out the bits that are good and still working, and then moving on and changing what we need to.

Mr Tennent: Importantly the refocusing of the affordable housing action plan as we go forward is very much going to be at the lower two income quintiles. The action plan that exists today was very much based on supply. I guess the theory is that, in a rising tide, all the boats rise. We have got evidence that certainly plenty have risen but there are still challenges for those in the lowest two income quintiles. So there is a genuine focus on those two areas.

MS CHEYNE: I have got a supplementary. Did you say that if more than 30 per cent is spent on rent or your mortgage then you are in some sort of housing stress?

Mr Tennent: Correct.

MS CHEYNE: But would it not be true that if you are earning \$1,000 a week 30 per cent of a thousand dollars is \$300, but if you are earning \$5,000 a week then 30 per cent of that still leaves you with quite a bit more left over? Is the percentage just one way of looking at it? Are there other ways of determining whether someone is in housing stress?

Mr Tennent: Yes there are. The 30 per cent of your income on housing costs is a fairly blunt measure but, interestingly, it is one that is well recognised right across Australia. But, importantly, it is a 30 per cent that is specific to the bottom two income quintiles which, I guess, picks up that point about if you are earning more. We have got plenty of evidence of people with mortgages who are paying much more than 30 per cent because they value paying more for housing and they enjoy their, I guess, home.

MS LAWDER: We have already talked a little about community housing. I wonder if

you have a view that is shared by some commercial commentators that community housing is not necessarily a good response to homelessness because some housing providers are quite highly leveraged and often prefer tenants who they believe have a better guarantee of paying their rent; therefore, you need other responses to homelessness, for example. How does your directorate respond to those types of questions from the sector?

Ms Berry: I think that there is no one-size-fits-all solution to any of this. We are doing what we can in the ACT around the different provisions of housing for different levels of affordability. We still have the highest number of public housing tenants per capita, and we are proud of that. We do provide community housing options for people where that works for that part of the community. We have got land supply programs going on as well and we have got tax reform about removing stamp duty which, over time, will make a difference to people's ability to be able to get into homes of their own.

It is never just a one-size-fits all; we do have to look at every kind of different possibility within reason and try to plug the different gaps in the market. We all know that the gap at the moment is in those bottom two income quintiles, and that is happening for lots of reasons in the ACT as well. We have talked a lot about high income earners in the ACT all renting out the cheaper properties in the suburbs, which then is pushing out that ability for people who cannot afford to rent anywhere else being able to get into those rental properties.

We need to have a look at what everybody is doing, human behaviour in this town, where people want to live, how we can build housing that suits them and, if it is about getting those young people into the city and leaving the suburbs for the families, how we can make that happen. Some of the infill and urban renewal of the inner city, hopefully, will address some of that as well and encourage people to make different choices about where they live.

We have also got a question mark, which we are doing some work on, about empty homes and empty dwellings, how many of those there are and how we can work with those investors or owners to rent their properties out.

MS LAWDER: And not just empty homes, but is the government doing any work in the area of people in public housing with vacant bedrooms and working with tenants to think of other options?

Ms Berry: Yes.

MS LAWDER: Could you tell us a bit more about that?

Ms Berry: Yes. All the time it is a sensitive issue, as you would understand. You have people who have raised their family and their grandchildren in these homes but, as we are building more and more homes and newer homes and providing different homes and dwellings across the city, we can talk to people in public housing about the options for them and where they could live that still keeps them within their community and connected with their family and their friends. They could move into a smaller home which would then free their home up. That just happens as a matter of

course as we manage tenants and any sort of movement in the public housing stock.

MS LAWDER: So you are not looking at any financial incentives or disincentives for people with empty bedrooms to move?

Ms Berry: I do not think that we would look at a disincentive but we are happy to take any ideas about ways we could encourage people to move out of their homes. We have a pretty high percentage of public housing tenants who are quite old and their families have moved on or they have grandkids and caring responsibilities as well. It is a constant challenge because of the sensitivity around it, but also we do need to try to free up homes that meet people's needs as much as we can as well. Through the conversation that we are having around housing and homelessness, that could be something that could be considered.

About incentives, often the incentive is a new home. The success in part of the renewal of public housing is that people are leaving properties that are unsustainable and not very environmentally friendly, hard to maintain, cold and hot, and old. If they are feeling a bit nervous about moving and they see a new home that is sustainable, has everything that they need and is still within their community, that is often the thing that they need to get them over the line.

MS CHEYNE: I appreciate if you cannot answer due to privacy reasons, but in the ACT there is stand-alone public housing but also groups of flats or villages. Is there anywhere people with a physical disability are largely housed in a similar complex or a similar group of flats?

Ms Berry: You would probably have to talk a bit more with Minister Rachel Stephen-Smith about that kind of particular group-style housing. But we did do work with—

Mr Dawes: Glenn Keys's organisation.

MS LAWDER: Project independence.

Ms Berry: Thank you, Project independence. Housing ACT provided the land for that development and then project independence, Glenn Keys's organisation, got all the support from the various businesses—furniture organisations, everyone—to develop housing that suited those people's needs. As far as I know, the Latham group of units is all going fine and the tenants are all very happy. The other is still under construction, isn't it? There is another one, the intentional communities in Phillip, which I think we headlease or something.

Mr Dawes: It was completed a few years ago.

Ms Berry: It operates a bit like a cooperative.

MS CHEYNE: But in terms of the ACT government's public housing stock, there are no intentional communities?

Ms Berry: Other than ensuring that the renewal that we do is as adaptable as possible

and meets people's needs regardless of their abilities.

MS CHEYNE: Have there been some jobs created in the public housing renewable program?

Ms Berry: Yes. Have you got a page open to give me the numbers? It has been providing opportunities for local builders and their employees, as part of the building program, to have employment in that sector. I am just trying to get the numbers for you. I think it was about 3,000 overall.

Mr Dawes: One of the things, while we are just looking for the exact numbers, is that every million dollars spent in the construction industry creates about 15 jobs, seven direct and eight indirect. That is roughly the number. That is when we go from the supply chain to the subcontractors from go to whoa.

Mr Collett: Sorry, it took me a moment. Using commonly acceptable ABS multipliers, the work to date has created 1,435 jobs in direct construction and a further 1,115 jobs in the wider construction industry. That is the difference between work that is created on the building site—people laying bricks, putting up roof trusses—compared to things that are manufactured offsite such as kitchens and other things and are brought onto the building site. Those are the direct consequences of that construction activity but, of course, that money is then spent in the ACT and it follows that groceries, goods and services, entertainment and the rest of the economy are benefitting from that expenditure and that job creation.

MS CHEYNE: Yesterday Minister Fitzharris was talking about light rail. I do not know the name of this—is it the jobs participation program?—but the target is 70 per cent local jobs created. Are the jobs that have been created mostly locally?

Mr Dawes: We would have to always double-check but I would say the bulk of the people building these housing renewable homes would be all local people. I would say very close to 100 per cent but we could clarify that. Just knowing the nature of the businesses and the builders that are building, it is very close to the upper end.

Mr Collett: The scale of the contracts and the type of building that we are doing support that. It is all quite possible within the existing construction industry. Whilst we do not have an active program, we do have anecdotal evidence of the employment of apprentices, people who are putting on more work. I think the Chief Minister in the first half of the year went and visited a site in Gungahlin where a builder had been able to put on two new apprentices because of the guaranteed continuity of the work that was coming through the housing renewal program.

MR MILLIGAN: Given that we still have 30 minutes to go, I think I have time to ask a question and then move on down the table. In relation to the Public Housing Renewal Taskforce, how does the task force support tenants affected by the renewal program in moving home?

Mr Collett: The task force works closely with Housing ACT to support the tenants. It happens first at the macro level, if you like. A group has been formed called LINC, linking into new communities. That involves non-government agencies and

other social groups who are supporting tenants in the broad. They both provide input. They might be organisations that are providing support for tenants who are being relocated, like Woden Community Service. They might be groups who act as advocates for the tenants themselves and make sure that both the task force and Housing ACT remain focused on what the tenant experience is in this, because, at the end of the day, that is what the purpose of this is. That has a further management committee that sits under it which is staffed by Housing ACT staff as well as the community organisations and looks at the way in which programs are actually rolled out.

The key practical way in which the needs of tenants are dealt with is that each of the tenants approaching the time of their relocation is assigned a tenant relocation officer. They are a mixture of task force staff and Housing staff. They will work with the tenants to understand what their circumstances are, in the first instance, and, secondly, what their support needs are. They will look in detail at what supports they are gaining already and whether those supports can be moved or whether supports can be re-created in new locations. Everything from the basic decision about whether the tenant is going to be offered an option to relocate in the area that they are in at the moment or whether they are going to be offered something in some of the newer communities that are being built will be based on that assessment of their support needs. For those who need support going into that new accommodation, a support plan is prepared.

That is in the lead-up to the relocation. Of course, there are funds available to support the tenants in their relocation, and both Housing and the task force are quite flexible in terms of how that funding is applied. That needs to also be targeted to the needs of the tenants. Some will need help in the general relocation process, moving furniture, fridges and other things. Other people may prefer to do that themselves. They might have friends and family who will support them in that. They might prefer to have their money spent on services, getting new internet and telephone connections, getting the house cleaned or getting a skip in to take the rubbish out of the yard or the courtyard. There is a good deal of flexibility in how that money is spent.

As they are relocated, the housing relocation officers, whether they are from the task force or Housing, maintain contact through that move and make sure that the tenants do not have problems in the physical act of moving. Then there are a couple of follow-up visits to make sure that they are bedded down, there are lots of phone calls, and there is a survey at the end. That is backed up by an independent survey that Housing has organised, again under the direction of the LINC group.

There is a comprehensive suite of supports provided that look at the individual needs of the tenants and that are very much focused on them as individuals rather than just as part of a program.

MR MILLIGAN: Given that there are support needs for tenants, are there selection criteria that you go through when looking at suitable dwellings for the tenants should this renewal program require them to move home? Do you consider public transport and other local services and facilities that they may need before you relocate them and find a suitable dwelling?

Ms Berry: They basically get to choose. We try as much as possible to meet the needs of the tenants. We give them options about where we are building new public housing dwellings or where there are new dwellings available. Before we get to the time when they move into a new home, way back at the start of the conversation, we have a chat with them about where they want to live, what their needs are, whether they have a vehicle, whether they need to use public transport, whether they are connected up with a school, a community group or things like that. Then we match them up with Housing and that community group.

MR MILLIGAN: In the past, have the tenants been happy with what you have provided them? Have you met their needs successfully?

Ms Berry: As far as I am aware. Have you got anything?

Mr Collett: It is the best part of the job seeing the difference that new accommodation makes. Some of the older stock that is being occupied, as the minister said at the outset, is very difficult to maintain and provides low levels of amenity and comfort. Stairs are often involved. Whether you are permanently disabled or you just have a couple of young kids and are trying to get the groceries up the stairs and into the unit, it is a challenge. So yes, we have made significant changes to the lives of quite a number of tenants. We have enabled them to connect to better support services, to access better schooling for their kids. Not surprisingly, we have a file of comments from tenants who have benefited in one way and another and enjoy much better lives from the relocation.

I will just add to the earlier answer, though. Not only do the tenants basically get to choose, as the minister indicated, but also the selection of the sites on which we are building the replacement public housing takes all of that into account. Just like any other developer, we do not always get the sites that we ideally like, but we look carefully at every site that is available. We look at how far it is to support facilities and where is the closest bus stop. We avoid taking sites that are not suitable.

MS LAWDER: How do you apply what we often talk about as salt and pepper policy in terms of new blocks, new houses?

Mr Collett: For a start, in the selection of each of the sites that we have used in the program or each of the developments that we have purchased through our expression of interest program we look at the percentage of public housing in that suburb. We will start off in the broad, looking at what the existing population of the suburb is. We are supported by Simon's people as well as by Housing ACT in doing that work. When we come down to look at the proposals that are forwarded to us, whether it is land that has been identified from the LDA or whether it is sites that are coming forward through that expression of interest program, one of the first things we talk about with Housing is whether this suits their needs, whether we are re-creating a concentration. We have guidelines as to the maximum sites that we will take. Housing has been flexible because we are under a bit of pressure in terms of availability of land. We are ideally looking for unit developments that are no more than 24 units. In good locations we have gone up to 32, but we have looked carefully at that and thought about it with Housing.

MS LAWDER: So what is the salt and pepper policy? Is there a figure?

Mr Collett: That figure that I cited before, trying to stay below 24 but not exceeding 32 units in a single complex.

MS LAWDER: But you will not have three blocks of 22 units?

Mr Collett: No. We look also at what the concentration is.

MS LAWDER: That is what I am asking. What is the concentration?

Mr Collett: Six per cent.

MS LAWDER: Six per cent in a suburb?

Mr Collett: Six per cent is the general rule.

Ms Berry: That is the average.

Mr Collett: Of the land that has been offered to us by the LDA, we are avoiding taking significantly more than six per cent in both the multi-unit properties and the detached housing. The same principles would apply to the detached housing that we are taking either from the offers that are being made or through our construction program.

THE CHAIR: With the multi-units, you are having one development that is all public housing rather than scattering them around? I am not quite sure what you are saying.

Ms Berry: The renewal program has quite a bit of that kind of development where it is a number of units together. Also, through Housing's own renewal, building and updating strategy, it will purchase individual homes, units or other kinds of dwellings that keep the mix of the types of housing that individuals who need housing through social housing require, making sure that we meet their needs as well. There are individual homes available through Housing ACT's own work, and through the renewal program we have also purchased some housing dwellings, stand-alone housing, and stand-alone homes. But there are a lot of units as well: one, two and three-bedroom units.

Mr Collett: Not a lot of three bedrooms, but one and two bedrooms.

Ms Berry: One and two-bedroom units. That has been replacement when we have been talking to people, the people that we are moving from some of the different locations around the city who are currently in one and two-bedroom units, and that has been the need that we have wanted to fill. So it is replacement

THE CHAIR: Are you having one block of units that is all ACT Housing, or are you salt and peppering the units throughout many blocks?

Mr Collett: Both.

THE CHAIR: That is what I was trying to ask.

Mr Collett: We are doing both. Housing keeps an eye on the amount of their portfolio which is in bodies corporate under unit plans. There is a cost associated with that both in terms of administration and in terms of body corporate fees. They are looking closely at that. In that conversation that I described that starts off as soon as we get a proposal or as soon as we get offered a block of land, we will also look at that. In our new construction, we are generally avoiding constructing housing that is a mixture of public housing and other housing. The 32 units or the 24 units that I described might be in a number of different constructions on the site: they will not necessarily be an apartment block of 32 units or even 24 units; they will be broken up. We also look to distribute the stand-alone housing that we are building through the suburb, whether it is through our construction program or our purchase program.

To give you some idea of the figures, to date we have been able to get 373 separate dwellings compared to 650 apartments as part of our replacement program. One of the benefits of the program has been to not only break down those concentrations but also provide a greater choice in the portfolio.

MS LAWDER: I will just finish off. Are you able to table for the committee a copy of the salt and pepper policy?

Ms Berry: It is more an approach than a policy. It is more about making sure that we provide housing all across the city so that it meets the needs of our tenants.

MS LAWDER: But six per cent is not written down?

Ms Berry: Six per cent is an average across the city. There are some areas in the city that have a much higher density, for example—

MR PARTON: Is it a target? Is six per cent a target?

Ms Berry: No; it is the average.

MS LAWDER: Are you able to table a list of suburbs and the percentage?

Ms Berry: Yes.

MS LAWDER: Take it on notice.

Mr Collett: We do not have one here, but we have made that available previously.

MS LAWDER: Can we get an updated one?

Ms Berry: Yes; no worries.

MS LAWDER: I have not had one for a while.

Ms Berry: I think I provided one to you, Mr Parton, along with 40 other pages of information.

MR PARTON: Yes. In relation to the redevelopment of housing sites along Northbourne Avenue, will the salt and pepper approach apply there?

Mr Collett: No. Sorry, minister.

Ms Berry: Not within the new development. There will not be public housing there. But we are purchasing through the expression of interest process and through Housing's ordinary program for replacement, purchasing and disposal of public housing, continuing to purchase housing in the inner north and the inner south, because that is where some tenants are telling us they want to live, just as some want to live out in Moncrieff, Coombs, Tuggeranong and Belconnen. We are just making sure it is all across the city.

MR PARTON: Did you consider having a bit of a salt and pepper approach to Northbourne Avenue? If not, why not? By the look of it, it was not really considered.

Mr Collett: One of the issues that was foremost in our minds when we looked at the possibility of doing that—and cabinet did ask us to examine that and to come forward with some options—is that we are undertaking this work in the round as part of the contribution to the asset recycling initiative, which calls for replacement housing to be constructed, tenants to be relocated, the properties to be sold and the funding to be applied to another infrastructure project. Having housing tenants who are relocated and then coming back onto the site would not have been possible within that time frame.

The minister referred to the way in which we have been able to make sure that we do offer alternatives to housing tenants who do want to stay in the inner area. I referred a moment ago to our expression of interest process, which involves us calling for proposals from developers and builders for sites that they have that might have stalled in terms of the development or that they might be interested in selling, either in part or in whole, to the program.

One of the benefits of that has turned out to be that we are able to pick up properties in the inner suburbs and offer those as alternatives. The figures on that are: to date we have 177 properties that we have either secured or are in the final stages of negotiating in the inner north. In fact 77 tenants from the Northbourne apartments have moved into properties in inner Canberra. So whilst they are not on the site, that aspect of the program has been realised.

Ms Berry: I wanted to talk about how we engage the public housing champions, which is a group of public housing tenants who come together to engage with the government about supports for public housing tenants. We engage them in this whole conversation about public housing renewal; they come along and look at the plans and see the new dwellings and give us some pretty honest feedback about whether or not it is any good.

MR MILLIGAN: I have one supplementary question in relation to the six per cent for public housing.

Ms Berry: Just to be very clear, it is six per cent average across the city.

MR MILLIGAN: That is right.

Ms Berry: So there are some areas that have higher levels of public housing, and that has been a historic thing as to where public housing was built in the ACT over periods of time. For example, in the city, it is around 20 per cent, or was, but now we are doing our renewal and that might have changed a little bit. But it is still way above six per cent, which is the average. Other suburbs and areas might have a little bit less or a little bit more.

MR MILLIGAN: Is there a target that you set for public housing in new developments, in new suburbs?

Mr Collett: Yes.

MR MILLIGAN: A percentage?

Mr Collett: Yes, and that is the six per cent. We have discussed with the LDA our interest in taking land. One of the innovations of the housing renewal task force has been to do that with the LDA up front rather than at the back end of the process where you might get what was left over for public housing. We select the sites first-up, to make sure that we get the flat sites that are easy to develop and are close to services such as the bus services. But we have set a six per cent target for public housing sites in new developments, a mixture of both multi-unit and detached housing. We are sticking pretty closely to that.

MR MILLIGAN: Does that meet the demand? Does that meet the amount of public housing that is required going forward?

Mr Collett: Land supply remains a significant challenge for the task force, but we have adopted a number of innovations to make sure we deliver the program that the government has charged us with doing.

Ms Berry: For the renewal program, we are on target to meet the requirements under the ARI.

MR COE: Could you please give me an update on the success of the Jervois Street construction and sale?

Mr Collett: The task force has not been involved in that. That is a Housing ACT matter.

MR COE: No involvement whatsoever?

Mr Collett: No.

MR COE: Is there a reason why the experts in this space have not been involved in it?

Mr Collett: Housing ACT are continuing their business-as-usual program. They are continuing to redevelop sites that they have available and to build new housing. Whilst we regularly meet with them, we understand what their program is, we share a panel of builders and we keep informed about what the other party is doing, the task force has not taken over all of the construction activities of Housing ACT.

MR COE: In the 2015-16 year did this area of government have anything to do with some of the sites sold by Housing ACT?

Mr Collett: I would have to understand which sites you are talking about to—

MR COE: The ones developed by, in effect, Housing ACT.

Mr Collett: No, we are not involved in Housing ACT's construction program. That is correct. We have no involvement in that, apart from keeping informed about what they are doing so that we can understand what the impact is on the market and make sure we are not awarding contracts to builders who have large contracts with Housing and those sorts of issues. They are things you would expect government agencies to liaise on. But we are not responsible for their program.

MR COE: I understand you are not responsible.

Mr Dawes: The task force is purely responsible under the ARI to build 1,288 replacement housing dwellings, as we dispose of those sites. So it is restricted to that.

MR COE: I understand what you are responsible for, but I was wondering whether you had been involved in any of these.

Mr Collett: No. We have more than enough to do, Mr Coe, with the 1,288.

MR PARTON: Since the inception of the MOU between the ACT government and UnionsACT, what role has UnionsACT performed in relation to construction, demolition and purchasing tenders and contracts for the public housing renewal program?

Mr Collett: That is handled through procurement and capital works. The public housing renewal task force does not have any contact with UnionsACT.

MR PARTON: None at all?

Mr Collett: No.

MR PARTON: That is pretty simple, isn't it, from your perspective.

THE CHAIR: I am still going through the affordable action plan phase 2. No 6 is "considering residential development and underutilised community sites". Where are we up to with this?

Mr Tennent: There have been a number of things in that space. We heard earlier

from the task force around community club sites on underutilised land. We have also had a pretty thorough review of plot ratios on community facility land, to get a bit of a feel for utilisation, which is, again, feeding into the next conversation on how we go forward.

They have been the two main things. Obviously, you will be aware that there is another piece of work around community facilities and community facility land and how the government may wish to change the way that they go about releasing it, selling it or charging for it. There are a few things in that space. It has been difficult to unlock the community facility land at the moment, but this will certainly form part of the conversation about how we might go forward, and linking that in to the provision of affordable housing. There have been a lot of individual interactions with the lessees on community facility land; some of the church groups and community groups that are sitting on land that they are not able to unlock for various reasons. So those discussions are continuing.

THE CHAIR: None of them is getting close to something that would be in the public arena?

Mr Tennent: Not yet, no.

MS LAWDER: Could you repeat for me the number of detached homes versus the dwellings that you have constructed so far?

Mr Collett: To date our replacement housing has included 650 units, apartments, and 373 separate houses. That might include everything from detached houses on small lots to townhouses, but not apartments. So we have had a fairly significant increase in the choice of housing that is available. We have had a fairly significant reduction in the apartments as a percentage of the replacement—

MS LAWDER: Because most of the original housing would have been apartments and units?

Mr Collett: The vast majority of it. There were some townhouses in Lyneham, in De Burgh Street, and in Red Hill. If you think of Bega, Allawah, Currong, Stuart, Red Hill, Gowrie and Strathgordon, they are all multi-unit properties.

MS LAWDER: When you are looking at possible sites on which to build units—old Narrabundah, Chisholm or wherever—which other directorates do you work with to look at traffic impacts and that kind of thing?

Mr Collett: Primarily, the planners, of course, because the first question is: what other uses might there be for that land? Public housing is a priority of this government and the ARI program is important, but there are other parts of the planning process that need to be balanced. So primarily we work with planning but also with Housing. They have a good idea of the tenant reaction to the stock that they have in that area. They can give us information about refusals based on geographic location or other aspects of the tenants' reaction to geographic locations.

As we get closer to doing a development, we will engage our own consultants to give

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us traffic counts. A site investigation report is undertaken for each of the sites. It looks not only at the geotechnical aspects of the site but also at site servicing and the constraints: trees, locations for access, traffic implications or garbage.

MS LAWDER: I know that in some locations, such as in what can be known as old Narrabundah, there is concern amongst some residents about a bit of a concentration of new units replacing smaller dwellings. They are saying it might only be 10 units but you are putting it next to another 12 units, and they believe that is a concentration, even though it is two separate blocks.

Mr Collett: We understand that concern. We have spoken to Housing about that. Currently, we do not have any proposals to build replacement housing in Narrabundah, notwithstanding the fact that we are taking out more than 70 apartments in Gowrie Court, subject to agreement from government to provide funding, as part of the overall ARI program. We are particularly concerned about that. As I say, every conversation starts off by looking at what the existing percentage of public housing is. As the minister remarked earlier, that will vary for historical reasons from location to location. Generally, the inner suburbs, like Narrabundah and Ainslie, have significantly higher than six per cent at the moment.

THE CHAIR: Thank you all very much. This is the end of the hearing. Thank you, minister and officials, for your attendance and cooperation. I should go through the time frames for questions on notice. Answers to questions taken on notice should be provided to the committee office within three business days after receipt of the uncorrected proof *Hansard*, with day one being the first business day after the uncorrected proof *Hansard* is sent to ministers by the committee office. All non-executive members may lodge questions on notice, which should be received by the committee office within five days after the proof *Hansard* is circulated, with day one being the first day after the proof *Hansard* is sent to ministers by the committee office. Responses to questions on notice should be provided to the committee office within five business days of receipt of the questions, with day one being the first business day after questions are sent to the minister by the committee office. When available, of course, the proof transcript will be forwarded to all witnesses who appeared, to give you an opportunity to check it.

Thank you all very much. Thank you, in particular, secretary. Let us all have a great weekend.

The committee adjourned at 5.27 pm.