



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON PLANNING AND URBAN
RENEWAL**

(Reference: [Annual and financial reports 2018-2019](#))

Members:

**MS C LE COUTEUR (Chair)
MR M PARTON (Deputy Chair)
MR M PETERSSON**

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 7 NOVEMBER 2019

Secretary to the committee:

Ms Annemieke Jongsma (Ph: 620 51253)

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

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Amended 20 May 2013

The committee met at 9 am.

Appearances:

Chief Minister, Treasury and Economic Development Directorate

Green, Mr Ben, Executive Branch Manager, Construction and Utilities, Access
Canberra, and ACT Registrar of Architects

THE CHAIR: Welcome to the first public hearing of the Standing Committee on Planning and Urban Renewal inquiry into annual and financial reports 2018-19. I remind all witnesses that the proceedings are being recorded by Hansard for transcription purposes and webstreamed and broadcast live.

I also remind members that questions on notice should be lodged with the committee support office within five business days of the uncorrected proof transcript becoming available. Responses to questions taken on notice should be submitted to the committee office within five business days of the proof transcript becoming available. Responses to supplementary questions on notice should be submitted to the committee office within five business days of the questions being received.

Mr Green, I draw your attention to the privilege statement. Do you agree to the things in it?

Mr Green: I agree to them.

THE CHAIR: Do you have an opening statement?

Mr Green: No, I do not have an opening statement.

MR PARTON: Mr Green, were any architects refused registration in 2018-19?

Mr Green: During the period 1 July 2018 to 30 June 2019 no architects were refused. To clarify the process around the registration of architects in the ACT and across the country, one of the pathways to registration is through the architecture practice examination, a three-part examination. Applicants need to complete that examination process prior to making an application to the board to be registered. In terms of people applying straight out, having previously completed that, no applicants applied and so none were refused.

MR PARTON: We have 354 registered architects. Is that enough or do we need more?

Mr Green: I do not necessarily have a view around the number. From the board's perspective, 354 is a reasonable number. If you look at the amount of building work occurring across the territory, a significant role is certainly being played by architects. More broadly, when you look at figures nationally, there are a steady number of architects within the profession.

One of the things the Architects Accreditation Council of Australia is doing—it

represents the boards of every state and territory jurisdiction—is exploring international recognition options. It is actively pursuing engagement with states in the United States of America to provide opportunities to come and design buildings in Australia. In addition to those states in the US, some work is also happening with colleagues in Malaysia to try to attract international architects.

I do not think there is necessarily a decline in the number of architects in the ACT context. In fact, based on previous years, the number of registered architects is up by 22. That is reasonably significant, given the number of 354. But I do not think there is a decline presently.

MR PARTON: When you consider how much building work was going on in this town 10 years ago, as opposed to now, you would almost expect an explosion in numbers over that time.

Mr Green: I do not think necessarily there is an explosion. I think we need to keep it in the context of the role of the architect and the choices developers and builders make in terms of what profession they go to design a building. We know the design of a building requires many design professionals—engineers, architects and draftspersons. I think the ACT is well positioned in terms of the number of architects. Yes, we are seeing a small increase, and I think that is reflective of the architecture program delivered at UC. As part of our board’s role we accredit that program. They are seeing a steady increase in enrolments, so over the next four to five years we would expect to see additional architects seek registration.

One of the challenges we have is that the Architects Act deals only with the protection of title and advertising as an architect when you are registered. A number of people within the construction and design industries probably have qualifications to be architects but have not taken up the opportunity to register.

MR PARTON: How long has the academic architect representative position been vacant?

Mr Green: That has been vacant from last year to this year. That position has been advertised and nominations have been sought. I understand it is in the process of being completed, from a government perspective, with a person identified to be put to the minister for a decision.

MR PARTON: What is the role of the academic architect representative?

Mr Green: It is that connection into the higher education sector, someone who has a read on where the industry is going from an academic perspective and the challenges associated with education—things like emerging technologies that impact the profession. We see that role as filling that connection into the university sector so that the board can understand the challenges faced by the sector but also influence the sector in terms of the areas they should be considering.

Certainly over the last 12 months there has been engagement with UC, as the sole provider of the architecture program in the ACT, to focus on things like building quality. That has certainly been one of the key areas in which the board has been

keenly interested and pursuing some more hands-on, technical-based program work within the architecture program at UC. The board sees that position as very valuable to connect the education side to the profession side and also the ability to transition and ensure that people who are completing the qualification take the next step to registration.

MR PARTON: What were the costs involved with the registrar and board chair attending the AACA annual forum and general meeting in Brisbane?

Mr Green: The costs for the AACA forum are covered by the AACA. They fund the travel and accommodation expenses of the boards to attend.

MR PARTON: You have to be happy with that.

Mr Green: It is a great initiative they have. It is important that all state and territories come together. A lot of areas of regulation are not nationally consistent, and architecture is one of those areas that has a single national approach.

THE CHAIR: Mr Green, thank you very much for your attendance. A transcript will be sent to you as soon as possible for corrections as per the usual way.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Social Inclusion and Equality, Minister for Tertiary Education, Minister for Tourism and Special Events and Minister for Trade, Industry and Investment

City Renewal Authority

Snow, Mr Malcolm, Chief Executive Officer

Gillman, Mr Craig, Chief Operating Officer, Business Operations Office

THE CHAIR: We will go to questions for the City Renewal Authority. Thank you, Chief Minister and other witnesses, for attending. I remind everybody about the pink privilege statement. They are all indicating their agreement. Minister, do you have an opening statement?

Mr Barr: No. I will table the annual report as my opening statement.

THE CHAIR: Thank you; we appreciate that. Let me go to questions. My first question is about the Sydney and Melbourne buildings, particularly with the picture at the front. They are looking quite weird in that photo.

Mr Barr: It is part of the Enlighten festival. They were illuminated by electric candles.

THE CHAIR: I was wondering if it was a picture of what they were going to look like if they were not maintained.

Mr Barr: No.

THE CHAIR: I understand that you are contemplating legislation to force maintenance for the Sydney and Melbourne buildings. Where are we at? What is going on with that? How would this happen?

Mr Barr: The government has indicated a desire to see a change from the status quo in relation to the status of those buildings. We have a process underway to develop legislation in order to enable consistency in terms of the work that is undertaken in and around the precinct, both publicly funded work and requirements for the private owners.

In a very practical sense, it could mean adherence to a consistent colour scheme. If you walk around the buildings, you will note that is not currently the way that individual owners are approaching the situation. Some people go to a lot of effort to repaint, but in a slightly different colour to other parts of the building. That is one very practical manifestation of what we are seeking to achieve.

An early precursor to this has been the work the authority has undertaken around the shared waste enclosures. That involved a considerable amount of consultation and engagement. I think there are 102 different property owners across the two buildings and three different unit title arrangements or body corporate arrangements.

Mr Snow: It is probably closer to just over 50, but within one of those leases there are strata owners, so it is a lot of people.

Mr Barr: A lot of coordination is required in order to proceed with what would be practical or common-sense outcomes. We have had some success. I am aware that this has been a challenge for all of this century, and indeed most of last century, since the commonwealth disposed of the asset and it went into private ownership, perhaps with one exception of a period few a decades ago, when at least the West Row part of the Melbourne Building had a consistent approach to its renewal, colour scheme and signage, and the publicly accessible private space was renewed in a consistent way.

In light of recent government investments in the public areas immediately adjoining the buildings—the most recent examples being on Northbourne Avenue, to extend the pavement; and work in Alinga Street, on West Row and in the parks opposite that—there is a need now to turn our attention to a collaborative arrangement with the private owners, some of whom are already undertaking renewal projects and work. You will see on the Northbourne Avenue and Alinga Street corner of the Sydney Building that where there used to be the old Private Bin and other tenancies in that location, there is a significant renewal project that is nearing completion.

We work very closely with the property owners and we are currently developing legislation. It will not be appearing in the Assembly for a little while yet, but it is my intention to proceed with that in 2020.

THE CHAIR: Will it be standalone legislation for the Sydney and Melbourne buildings or part of the Heritage Act?

Mr Barr: All of those issues are to be finalised through a cabinet process, so I will not pre-empt all of that. We are looking at the range of options. We are probably leaning more towards discrete Sydney and Melbourne buildings legislation, as opposed to seeking to expand that beyond those two buildings. Then there are provisions within the Heritage Act that can be drawn upon. But it may be that the best approach is to undertake a legislative intervention through the City Renewal Authority legislation.

THE CHAIR: Not all heritage buildings are in the City Renewal Authority's area of influence. I was wondering, given that we have heritage buildings throughout Canberra, not all of which are very well maintained, why you are looking at this as an isolated issue.

Mr Barr: These specific buildings, original Canberra buildings, are iconic and, in and of their own right, have a unique set of circumstances. Therefore, I think it will require a unique and tailored piece of legislation. But we are not yet concluded in our processes in relation to that, so I am not going to pre-empt anything today other than to say that we have put this on the agenda, we have sought to engage over a number of years now, and there are specific individual projects that have been completed and will soon be operational. The waste enclosures are one practical example, but there is a lot of work around the buildings themselves that has been publicly funded and a lot of work with individual tenants. On the eastern side of the Melbourne Building, where

the additional pavement has been created, you can see that the tenants along that section have already undertaken a range of works that have improved the amenity of that area considerably.

This will not be a matter where you click your fingers and the next day everything will be fixed; this is probably a decade-long journey to restore these buildings to their former glory. There is a lot of goodwill. The government intend to enable, where we can, to invest in the public realm that is public responsibility—that is, outside the private leases—but also to seek for private owners to reinvest in their properties. We have quite a variation. We have people who are already investing and doing a fantastic job. We also have, at the other end of the spectrum, some absent landlords, some of them even overseas based, who are not paying particular attention to their asset.

MR PARTON: In a perfect world, Chief Minister, what is your expectation from the owners? First, what is your realistic expectation from the owners? You flag that legislation is coming, so it looks as though there will be a heavy-handed approach to this at some stage.

Mr Barr: In a perfect world, some consistency, at the very least, in terms of, for example, the colour schemes. We have a heritage bill. That work is largely done in terms of: “These are the historical paint colours.” When they are going to spend money—and they are; people are spending money—it is a matter where at least there is a degree of consistency in relation to the way that that work is undertaken.

MR PARTON: If they are not spending money, are you going to force them to spend money?

Mr Barr: We will be examining the range of issues. I do not think a big stick is going to be the answer here; I think there is an opportunity, principally, to encourage. As I said to Ms Le Couteur, this is not going to be a one-year fix; it will take a decade or longer to progressively improve the buildings. We will look at a range of measures in terms of what is legitimately publicly funded—what would be appropriate in terms of heritage grants, for example—to encourage a matched reinvestment program as well as working closely with those who are already undertaking renewable activities. There are a number of them. You can see it unfolding week by week, month by month. It is going to take quite some time to address every single issue. Mr Snow may wish to add further detail in terms of his engagement with it.

Mr Snow: Mr Parton, it is not just physical revitalisation; it is also economic revitalisation. We are already trying different things, particularly around the activation of those terrific courtyards. That is why we have already staged a number of events within those spaces. It is why we want to clean up those spaces in terms of sorting out the rubbish, the illegal parking and the grease traps. There are a whole series of what I would call housekeeping type things that need to be done to provide those opportunities for people to open up into those courtyards and for those spaces to be used.

The other thing we are doing—and will do—is supporting those owners through looking at the way in which they can position themselves to attract the right tenant

mix. Now that light rail is within walking distance and will continue past those buildings, between those buildings, that is a great opportunity. We want to make sure that we can provide good, sound advice to owners who would like it in relation to how we might assist them in taking advantage of the public investment that is being made nearby.

MR COE: Can I quickly ask about the waste enclosures, which I gather you mentioned just before I got here. Where are they at? It is taking, obviously, a long, long time and they are pretty expensive waste enclosures. When are they actually going to be fully operational?

Mr Barr: This month—the 28-day transition period during this month, as initial collection processes will be underway.

MR COE: What does that mean if everybody has got their own waste agreement in place at the moment?

Mr Barr: That is why it has taken a long time, because a lot of those had to conclude.

Mr Gillman: The 28-day transition period which the Chief Minister advised is underway is to enable that transition to the new arrangements from pre-existing waste arrangements. That work is ongoing at present and collections under the new arrangement are scheduled to begin on 1 December. The transitional arrangements are underway, where JJ Richards are working with business owners to transition the waste arrangements, and then operations commence in December.

MR COE: Has someone got a head contract?

Mr Gillman: JJ Richards.

MR COE: But who is taking that contract out, though?

Mr Gillman: The contracts will be with the individual business owners for their waste arrangements.

MR COE: But why does it have to be JJ Richards if—

Mr Gillman: Because they operate the laneway under a licence from the ACT government, yes. There is a licence agreement with JJ Richards to operate the waste enclosures and then they establish individual relationships with each of the businesses.

MR COE: And how did they win that contract?

Mr Gillman: Through a competitive tender process.

MR COE: What is that contract as far as the relationship with CRA is concerned? Does any money change hands between CRA and them?

Mr Gillman: No. There is a licence agreement fee which is payable to, I think,

EPSDD, but that is a standard licence agreement fee. That is the only fee that is in place in the contract. The rest of the relationships are between JJ Richards and the business owners. They have a licence to operate the enclosure.

MR COE: Why has it taken so long to get to this point? I understand the 28 days, but why has it taken such a long time to construct?

Mr Barr: The construction has been completed but there is—

MR COE: I know, but it took a long time. It seemed to be incomplete for quite a while.

Mr Barr: Because it is very complex work.

MR COE: When did construction finish?

Mr Barr: Of the enclosures?

MR COE: Yes.

Mr Snow: It was late last year.

MR COE: The question, then, is it not, is: why has it taken 12 months?

Mr Barr: Because there were 102 different waste arrangements that had to be worked together into a final outcome.

MR COE: But why could you not at least open the gates and allow people to put rubbish bins in there?

Mr Snow: If I might take that, simply because what we had in the existing situation was quite a lot of illegal dumping and abuse of the arrangements that existed. What we had to do was start to work through those arrangements with the different owners. As the Chief Minister has said, there are multiple owners that we have been talking to. We did proceed down a path of seeking to go through that tender process. That was a drawn-out process because the company we were in negotiations with got cold feet and we had to go back and actually start to then discuss those arrangements with another supplier.

MR COE: Why did they get cold feet?

Mr Snow: Because it is complex. We are trying to do something that has not been done in Civic before. One of the reasons we are persisting with this is that in many of the other sections within Civic you have those similar territory-land courtyard arrangements, where you have businesses literally dumping rubbish in those central spaces. If we get this right we are confident that we can roll out a similar arrangement for other parts of Civic. At the moment, having six contractors and garbage trucks constantly going in and out is just not sensible.

MR COE: If there is private land in the laneway, is somebody—

Mr Snow: That is the point.

MR COE: There are some—

Mr Snow: There might be some private lanes, and I think those—

MR COE: Yes, exactly. I am talking about that. If there is private land, are people going to be allowed to have their own rubbish bins on private land?

Mr Snow: We will not force people to change their arrangements, but where we have this central collection place or storage place, if you like, we think there are lanes which are on territory land where this arrangement could be duplicated.

Mr Barr: I think you are at cross-purposes here. Mr Coe, you are talking specifically about the Sydney and Melbourne buildings. Mr Snow is talking about all laneways in Civic.

MR COE: That is right: the Sydney and Melbourne buildings. What is stopping one of the tenants saying, “Actually I quite liked our previous rubbish arrangement”—for various reasons; they have got particular recycling options or whatever—“and we are going to keep on using that”?

Mr Snow: The point is that they were putting their bins on territory land when they should have taken them inside their premises.

MR COE: That is why I said earlier “where there is private land in particular”. What is going to stop somebody having their own bins on private land and getting a separate contractor to collect them?

Mr Gillman: Nothing. At the moment we have a number of bins and quite a large number of bins stored on public land space in the laneways. The waste enclosures are a solution to that, provided by ACT government. Instead of storing it ad hoc around the lanes, there is this facility which people can opt in to. Businesses can choose not to opt in. Every business is entitled to opt in in those buildings, but businesses can choose not to. If you have the physical capacity to store waste on your premises then that arrangement is completely up to you.

MR COE: Why do you need to get into this whole licensing arrangement? Why could you not just have a waste enclosure and allow people to put their bins there?

Mr Snow: Because we cannot allow just a free-for-all. Part of the problem we inherited in thinking about the enclosures was that we had traders and tenants, not businesses, not doing the right thing.

MR COE: Why can you not have a free-for-all where people put rubbish in their rubbish bins in the waste enclosure?

Mr Snow: Because, as I said, we had a pre-existing problem of illegal dumping and all sorts of other things happening—just really poor practices. This way, you have a

key code and you can access the facility.

MR COE: And how does that stop illegal dumping?

Mr Snow: People do not just wander in off the street.

MR COE: Does it not encourage more illegal dumping if the bins are not accessible?

Mr Snow: No. Only those people who are signed up to these arrangements will be able to use the facility.

MR COE: Presumably they were not generally illegally dumping before.

Mr Snow: We do not really know. We are not going to point the finger at people. But certainly what we want to do is make sure that particularly traders—and we have the opportunity to make sure—and people are doing the right thing in terms of recycling cardboard and glass. You can imagine that there is quite a bit of glass in that area because of the food and beverage tenants that are there. This is not only about making sure that people do the right thing in relation to how they transfer their rubbish. At the same time we encourage better practices in relation to recycling and encourage them through Actsmart to do the right thing.

Mr Gillman: This is a trial—it is a 12-month trial—to see how the system works and what lessons we can learn from it. But at the moment if you walk through the lanes—and I have not done a physical count—there must be 30 to 40 bins minimum in each of those laneways and they are from all the waste providers that you can think of. There is a diversity that sits there.

The rationale for the enclosure is to reduce the total number of bins by having the shared facility for those who opt in. There are the efficiencies, through reducing the number of bins, of having a single daily pick-up rather than Cleanaway and JJs all coming in at various different times. There is the attempt to gain some efficiencies by pooling the product, through the waste enclosures, to reduce the number of bins in total, reduce the frequency of collection and the challenges with access and egress in that environment and an opt-in arrangement. That is the rationale for the trial, which we will be looking at.

MR PARTON: Let us talk about the city centre marketing and improvements levy. My specific question is this: I want to know what the levy payers identified as their important, high priority areas for spending, and what were the results of the survey to ascertain levy payers' satisfaction with the 2018-19 work program?

Mr Snow: Yes. We are constantly in conversations with the levy contributors. The priorities for them related to the presentation of Civic, particularly around cleaning and place management practices. That was a high priority. That is why we have put in place the new place management arrangements, with a dedicated team in the levy collection area. They were very keen to ensure that Civic remained a safer place. That is why the levy has contributed to the pre-existing program around taxi ranks and the way in which we can provide a safe night environment for people coming in to Civic.

They also indicated very clearly that they wanted to see further capital improvements, particularly in places like Braddon, where the streetscapes and the condition of the public environment were quite variable. The combination includes what I would say is the physical aspect. Certainly, there is the presentation of Civic and the way in which those actions might contribute to greater footfall.

The key issue for levy contributors, who often remind me that it is their money—which it is not—is that they want to see, understandably, a return on the investment, so to speak. They are very engaged and they want to make sure that the way in which we are committing the funds is having a real cause and effect relationship, with improved retail sales and improved economic vibrancy within the city.

MR PARTON: Mr Snow, are you confident that, based on the results of that survey—and granted that it was taken halfway through the year, so the spending was already allocated—we are going to see some changes to the levels of funding and where they are going to? Are you confident that the traders are happy with the way that the money is being spent?

Mr Snow: We have had feedback from a small group of traders, particularly in the Braddon area, who have indicated that they would like to see greater benefits flowing to that particular part of the levy area. We have heard that loud and clear, and we have decided to form an advisory group of levy contributors. We put out terms of reference for that advisory group, which would meet at least four times a year to help advise me and my team in relation to those very priorities.

We realise we have to keep the lines of communication open at all times with the levy contributors, and this is one way in which we can ensure that we are listening. If those levy contributors have suggestions or ideas for how the impact of the levy, for them as business and commercial property owners, can be improved, certainly we are listening to that. I think this advisory committee arrangement will go a long way to demonstrating our commitment to that. We prepare an annual performance statement which we distribute to all levy contributors, so we are very open in terms of what we believe we are achieving with the funding that comes through.

If I have one concern, it is that I do not think we are committing sufficient attention to what I would call the marketing component. There are the physical improvement aspects and the activation, but a new focus for us is around the way in which we can market the city centre, in particular, as part of the way Canberra is positioned to the outside world, in making the city centre a very attractive place, particularly for tourists and visitors.

MR PARTON: Is that view reflective of what the traders are saying to you or is it your personal opinion?

Mr Snow: We are certainly hearing from traders that they want us to attract more people to the precinct; there is no doubt about that. We do not want the Canberra city centre to be the best-kept secret. We want it, of course, to be a place so that when people do visit Canberra, when they come for a major event like Floriade or Enlighten, they also increase their night stays and say, “We’ll go and explore the city centre. We’ll go and explore the city centre precinct.” We recognise, as does Invest Canberra,

who we have been talking to about this particular idea, the need to help position the city centre as a very attractive visitor destination.

MR COE: With regard to the levy that the businesses are paying, how much is actually spent on maintenance?

Mr Snow: Twenty-three per cent, in terms of the breakdown, Mr Coe, of the expenditure is committed to that component.

MR COE: To what component?

Mr Snow: To cleaning and place management—23 per cent.

MR COE: What is included in cleaning and place management?

Mr Snow: This is additional cleaning. We have a dedicated team of three TCCS staff, plus a place manager, who have their own equipment, high-pressure cleaning and other equipment, where they can, in a very responsive way, deal with particular issues that, if it was left to the current TCCS maintenance regime, might take a bit longer. This is very much a responsive effort with respect to cleaning, particularly—and I mean high-pressure cleaning—and landscape maintenance. These are all things that people who are in the city would look at and say, “Why is that like that? Things could be better.”

MR COE: Cleaning and place management; what portion is cleaning?

Mr Snow: I would have to take that on notice to give you a breakdown. I am only giving you a rolled-up figure for place management more generally.

MR COE: It has to be pretty small, then. Surely, your levy payers are actually saying they want money spent on maintenance. Is that their number one requirement, to spend money on maintenance?

THE CHAIR: Mr Coe, Mr Pettersson has not yet had a question. Maybe we will leave that for a substantive for you and give Mr Pettersson the call.

MR PETTERSSON: Thank you. The report states that in creating the 2025 strategic plan, input from the community was critical. Can you explain how the community was consulted and how this informed the final six key themes of the strategic plan?

Mr Snow: Thank you, Mr Pettersson, for that question. We did a number of things in helping to formulate the precinct renewal strategy. The principal ones were a combination of online and other survey instruments. Specifically, there was a dedicated workshop over a day. We invited a number of industry sector, not-for-profit and community groups to join us to help to confirm what we had seen and read through previous engagements around renewal. We provided them with that information and asked them, as a representative cross-section of the Canberra community, what they wanted to see with renewal.

That led on to us talking to them about the components of the renewal program—

whether they thought they were the priorities for them as a representative group; whether there were other ideas that they would like to see explored, particularly around those early priorities for renewal. There was quite an extensive engagement process, and we continue to maintain a strong engagement with those community groups, particularly through workshops and presentations, and by reporting back against the progress we are making against the implementation of that program.

MR PETTERSSON: I do not think you quite mentioned it; who were those stakeholders that you engaged with in workshops, and how many people did you engage with online?

Mr Snow: I would have to take that on notice. Certainly, online we are talking about hundreds of people. For the actual workshop that we conducted, I believe there were in excess of 30 different representatives from different sectors, as I said.

MR PETTERSSON: What are the six key themes and how did you distil all of that feedback into those six?

Mr Snow: One of the very first things we did was to look at all of the previous engagements that had been conducted where renewal was a focus of the feedback that government was looking for. We looked at 30,000 different responses that had been received in relation to similar community engagements. We found, when we analysed those 30,000 different submissions that had come over that period of time, that six themes emerged quite strongly in relation to sustainability, economic revitalisation and the physical condition of the city. There was really strong affirmation through that consultation that those were the sorts of themes. As I said a second ago, that was reaffirmed through the more focused work we did, both in relation to the workshop and in the online engagement.

MR COE: Going back to maintenance, is maintenance one of the key requests from levy payers?

Mr Snow: As I said, the presentation of the city is certainly important. The experience of customers and visitors is really important to them, yes.

MR COE: You did a survey, didn't you? You did a survey about what levy payers wanted.

Mr Snow: Yes. Early in the life.

MR COE: What was number one that people wanted?

Mr Snow: I do not have those survey results in front of me. Do you have them in front of you?

MR COE: No, I do not. But I am pretty sure it was maintenance, from memory. I am pretty sure that you said in answer to a question on notice that there was about \$140,000 spent on maintenance in 2018-19. That is six per cent. Is that action consistent with what levy payers want?

Mr Snow: No. That is why we have taken the additional steps of forming this place management team and have committed additional funding to the place management services, particularly around not only city presentation but also event support and the sorts of things that will provide greater economic stimulus to the city centre.

MR COE: What is included in the place management?

Mr Snow: Place management really relates to additional services that can be provided around cleaning, minor landscaping and support for setting up activation events. That team have quite a broad scope of tasks, but their principal focus is on place cleaning, which is in addition to what TCCS provide around the “your say” arrangements, where any member of the community can report, online, particular problems or issues that they would like TCCS to address.

MR COE: If the cleaning component is \$141,000, what is the total budget for cleaning and place management?

Mr Snow: It is \$275,000, including GST.

MR COE: So cleaning and place management combined is 275?

Mr Snow: Yes.

MR COE: Where is the other 140 spent?

Mr Snow: As I said a second ago, that is in relation to support for activation events, being available to assist with the set-up and, when events are completed, the bump-out of those events. As I said, they really have a primary focus around cleaning and place management, but they also are available to support our activation program.

MR COE: In terms of the consultant contracts for communication and engagement, that is \$700,000, I gather. What do they deliver? What do you get for the \$700,000?

Mr Snow: Under the CCMIL?

MR COE: Yes.

Mr Snow: Those relate to the way in which we need support for the communication associated with the way in which we reach out to traders and to the broader community, to help with some of the branding and communication, particularly graphic communication, around—

MR COE: You have \$700,000 spent on that, but only \$140,000 spent on actual maintenance?

Mr Snow: That is correct. But, as I said to you, this is in addition to the responsibilities TCCS have for Civic cleaning, for city centre cleaning. This is an additional component of cleaning on top of what the asset owner, TCCS, undertakes on a daily basis within the city centre. We are not here to duplicate or replace TCCS. We are here to provide another layer, which responds to what the traders said they

wanted to see. Rather than things sitting unattended to for days, they wanted us to be responsive in the way in which we could present the city centre.

MR COE: The performance and accountability expenditure has increased significantly. What do you get for the performance and accountability expenditure through the CCMIL?

Mr Gillman: In part, that was used to develop a performance and accountability framework, which is how we will hold the expenditure under CCMIL accountable to levy payers, the reporting framework et cetera—to make sure that was in place. It is a bit of a foundational investment.

MR COE: How are you going to do that?

Mr Gillman: We have the performance and accountability framework now in situ. We are using that to manage—

MR COE: What is that?

Mr Gillman: That is how we set up, measure, manage and monitor how we allocate funds within the priorities. Malcolm has mentioned that in part that is to establish the framework. The accountability framework includes the establishment of an advisory committee of a representative group of levy payers.

Mr Snow: That performance framework is also reviewed by the board. The board take a close interest, of course, in the way in which we are managing the levy. Also, through our audit committee, there is close scrutiny of the way in which the nearly \$2 million the levy contributes is being committed. We monitor the impact of our expenditure. As I said, we remain open to trader and levy payer feedback to make sure that the ratio, if you like, or the way in which the funds are being committed, is delivering the results that levy payers expect.

MR COE: You are expected to spend \$128,000 on performance and accountability this financial year, in 2019-20. When did the framework and all those governance contracts take place? Is it this financial year or was it last financial year?

Mr Gillman: The framework is now established, and was established as part of last year.

MR COE: So what is \$128,000 being spent on this financial year?

Mr Gillman: I am happy to take that on notice and provide a breakdown.

MR COE: I do not think there are any capital works for 2019-20 with the improvement levy.

Mr Gillman: In the CCMIL?

MR COE: Yes. Are there none, no capital works?

Mr Snow: That is correct, because that is a separate component of our renewal program, capital improvement works—what you have seen on London Circuit and Akuna, now in Mort Street, and soon to commence through a streetscape upgrade program for Braddon, in Lonsdale and Mort, and also Dickson. We are funded through appropriation through our capex to undertake those capital improvements. It just happens to overlap with the levy area.

MR COE: So the CCMIL does not get used for capital ever? Or is it just not this year?

Mr Barr: It can be, but it generally would not be applied to publicly owned assets. The distinction I would draw would be between publicly accessible but privately owned, particularly in the context where there is not a single owner of the private space.

A good example of the public space is the privately owned public areas around the Sydney and Melbourne buildings. That is a good example of where there are multiple owners. It is not necessarily a well-structured management regime for the maintenance of the publicly accessible but privately owned space. That is one example, in the context of our earlier discussion around the Sydney and Melbourne buildings, where I believe it would be appropriate to reinvest a proportion of the CCMIL into the maintenance and improvement of privately owned but publicly accessible assets.

MR COE: When did that cleaning and maintenance aspect come on board?

Mr Snow: It came on board last financial year with the creation of the place management team.

Mr Barr: Are you after an exact date or just a financial year?

MR COE: Yes. I am curious as to when the maintenance expenditure increased.

Mr Gillman: We will take the exact details on notice. There were two stages to that part of the work. The first was the engagement of a place manager. That occurred in the early part of last financial year. I am happy to get the specific details. Then we were working with Transport Canberra and City Services to recruit three extra roles, which were the additional roles. They came on later in the year. That investment was in the back half of the year, rather than throughout the year. I am happy to take on notice the details of the timing of those two.

MR COE: I hope my final question is straightforward: why did that construction of the consolidated waste area increase by \$100,000?

Mr Snow: When they were digging the foundations, they came across Icon assets in the form of a high voltage electricity cable which had not appeared on any previous plans of where the utilities were, and also a sewer connection. The facility has to be able to be washed down, and that has to go straight to the sewer, not to the stormwater course.

MR COE: But there were other services that were detected beforehand?

Mr Snow: Yes, but these were things, as we typically find in the city centre, where no-one had a record of them.

MR COE: I understand that, but in terms of the scope of works, did you do some core sampling there, find out what was underneath and then provide that as part of the tender?

Mr Snow: Of course.

MR COE: You did that?

Mr Snow: Yes.

MR COE: So other works were discovered?

Mr Snow: That is correct. When they were digging the foundations—

MR COE: Other services, I should say.

Mr Snow: Other services, yes. When they were digging the foundations during the construction phase, it was realised that things were not where they were supposed to be, or they came across things that they did not even know about, like the high voltage cable, which was not on any plan that they had done the due diligence around as part of the design documentation.

THE CHAIR: I want to move on to what I would have called West Basin, so my first question is: why is it no longer going by that name?

Mr Barr: West Basin is a body of water; the Acton waterfront is the land.

THE CHAIR: But we have been calling it the city to the west or things like that for years.

Mr Barr: No, we have never called it that. It was called city to the lake, but West Basin is the body of water.

THE CHAIR: So why is it not called city to the lake anymore?

Mr Barr: With the creation of the City Renewal Authority the project has a much larger precinct. The rationale behind the city to the lake program still remains, but it fits within a broader context now. We are progressively building from the city to the lake; you may have noticed that.

THE CHAIR: I am aware of this. My question is: why the name change?

Mr Barr: Because the authority was established in 2017 and now has a broader mandate. That program and piece of work was established back in 2013, the principles of which continue but not exclusively. Some things have changed, most notably in the

context of a stadium. I think I have said about 1,000 times on the public record that the whole program changed when Mr Fluffy occurred. That changed the process and available funds in order to undertake those activities. Some things were put on hold for 10 years, the stadium being one of them.

We have established the City Renewal Authority, and through its board it has undertaken some further work in assessing particular elements of the Acton Waterfront precinct. Certain issues that were being actively considered as part of city to the lake—most particularly the relocation of the Civic pool to the Acton waterfront, which, before Mr Fluffy, was going to be a project that would happen within the next five years—were delayed.

The authority, through its board, and Mr Snow and his team have undertaken some further work in relation to the Acton waterfront precinct and government has made some further decisions in relation to land release and transport provision since 2013. The city to the lake concept, as it was 15 years ago in its initial Griffin legacy manifestation under the Howard government and their National Capital Authority-led changes to the National Capital Plan that then flowed through into the Territory Plan, has evolved beyond that now to the work the City Renewal Authority has undertaken.

Also in that period the planning authority undertook further work in relation to the city precinct and it has been the responsibility of the City Renewal Authority since its establishment to coordinate those planning legacy works, together with a realistic forward infrastructure plan based upon the territory's infrastructure needs and land release programs. That is why it is not called city to the lake anymore—it has a broader remit.

The core philosophy of bringing the city to the lake remains; those principles and ideas remain, but their application is on a different timetable, as a result principally of Mr Fluffy but also of subsequent decisions as they relate to, for example, stage 2A of light rail, the raising of London Circuit to an at-grade intersection and various land release decisions, as well as decisions from the commonwealth in relation to their designated land. They have all impacted on both the 2004 work and the 2011-13 work in relation to city to the lake.

THE CHAIR: But there is still a commitment to do the boardwalk all the way around. Parkes Way is obviously an issue. The light rail is planned to go in this area, so is there a plan for Parkes Way?

Mr Barr: Yes, work continues to be undertaken. Initially we have to get it across London Circuit—

THE CHAIR: You have the two big roads, yes.

Mr Barr: Yes, indeed. We are progressively moving our way down in that regard. The approach will be consistent with the National Capital Plan and the views of the National Capital Authority. Clearly, the light rail stage 2A works will provide easier pedestrian access and better public transport access to the Acton waterfront. We have completed the first part with the Henry Rolland Park.

The hold-up in relation to the second stage of that precinct and park improvement relates to a further discussion with the National Capital Authority and the commonwealth finance department over further land for the diplomatic estate. We continue to positively progress that and we hope to have an announcement on that in the very near future that will enable that work to proceed.

THE CHAIR: I am confused. I think you are saying that something will happen with Parkes Way but watch this space?

Mr Barr: Parkes Way, being within the parliamentary triangle, is a commonwealth-owned asset.

THE CHAIR: I appreciate that; however, the ACT government has a considerable interest in it.

Mr Barr: Indeed. Our intent in the immediate term is that development will progress down to it but principally dealing with the London Circuit precinct and the privately held land that is being promoted at the moment as The Barracks. Edinburgh Avenue will be extended to Vernon Circle to match the equivalent Constitution Avenue extension. The cloverleaf is then un-clovered; London Circuit shifts and light rail stage 2A goes through. That gets pedestrian-public transport accessibility right down to the Parkes Way bridge. The bridging exercise over Parkes Way is then a much smaller project in terms of the distance it needs to traverse.

THE CHAIR: But that means a fairly small bridge; I can remember some very grandiose claims of infill over the top.

Mr Barr: Not kilometres of tunnelling or bridging; no, that is correct.

THE CHAIR: I can remember seeing those very pretty pictures and they are not on the agenda anymore.

Mr Barr: No, because the cost of that is hundreds and hundreds and hundreds of millions of dollars.

MR COE: Was that not known then, though?

Mr Barr: There were a number of different options that were investigated at that time and part of the issue also was: what would be the commonwealth's willingness to contribute, particularly in relation to Parkes Way, as it sits within the parliamentary triangle? You have then also got, obviously, the Coranderrk Street roundabout, and clearly that is a traffic bottleneck that will ultimately require some form of signalisation, at least initially, and in time a great separation.

THE CHAIR: How will local traffic actually get into the Acton waterfront area, given all of this?

Mr Snow: Before I respond to the specific question, our ambition for the Acton waterfront is that it is not a car-dominated place. Given its proximity to light rail, its proximity to public transport and its proximity to the city centre, it is in a very central

location. Our ambition is—and this is part of the review—that we would hope that we would be able to re-examine the current parking rates and apply parking rates which encourage other forms of accessibility for the people living there.

In terms of the design, if you like the urban design treatment, we really want to focus on streets which support and encourage dual use for both active transport as well as cars. That will potentially take the form of making sure that, if you have to have car parking there, that is provided in a basement condition and the amount of traffic moving through the new community, the new neighbourhood as it were, is reduced.

THE CHAIR: I was just wondering how the traffic actually got in, regardless of how much—

Mr Snow: A signalised intersection on that road—

THE CHAIR: At?

Mr Snow: If you were to go into Commonwealth Park—

THE CHAIR: Which street?

Mr Snow: Albert Street.

THE CHAIR: Which one is Albert Street?

Mr Snow: If you are travelling down Commonwealth Avenue and you want to go to Regatta Point, at that point where you have got that current T-junction—and in fact there is a road on the opposite side already—

THE CHAIR: There are roads on both sides.

Mr Snow: You just cannot get through because of the median strip.

Mr Barr: Currently there are traffic lights that are for pedestrians. The people think it is the Floriade lights, I guess.

THE CHAIR: Yes, they used to be, but now it is for the buses.

Mr Barr: Indeed, yes. That is where the light rail stop will be, in that precinct as well. There would be one intersection. There is still obviously other left-hand inaccessibility as well. But this level of estate—

THE CHAIR: It will become a right-hand turn there?

Mr Barr: We have not finalised this level of estate planning because this is still a number of years away. We are not getting into the detail of exactly every traffic intersection today.

THE CHAIR: I am just wondering how you would actually get into it, given—

Mr Barr: There will be access points, yes.

Mr Snow: There are two locations: Albert Street to the east and Edinburgh Avenue, most likely, to the west.

THE CHAIR: You mentioned light rail and you are now getting into NCA territory. Does that mean it would be wire free or wired?

Mr Barr: Wire free.

THE CHAIR: Wire free?

Mr Barr: Yes. The National Capital Authority have mandated wire free.

THE CHAIR: Where do the wires stop?

Mr Barr: Where they currently are.

THE CHAIR: Where they are now?

Mr Barr: Yes.

THE CHAIR: No more wires till we get way over the other side?

Mr Barr: Yes. That is the NCA's design requirement, yes.

THE CHAIR: And does that make a difference to where the stops are? Do they have to be closer together or does it not matter?

Mr Barr: No, not necessarily, but that is a matter that is best raised with Transport. No, the principal issues around the stops will be maximising patronage and accessibility for the different precincts, but as the government has put forward information in relation to the initial thinking on stops, I suspect that there might be a deeper level of engagement on stop locations for stage 2 across the community than there perhaps was for stage 1.

MR PARTON: On something completely different, more than half the contracts in the annual report are for consultancy services. Your consultant and contractor costs were over \$4 million, while your staff costs were \$3.3 million. Why are the consultant costs so high?

Mr Snow: I might respond to that initially and then ask Craig perhaps to elaborate, but we are a small agency of 25 people. When we were established, the government made it really clear that they wanted us to be a lean organisation, a small organisation. Therefore, with core competencies around the things that we need to do if we are going to do renewal, it was always envisaged that to deliver our program we would need to have outside help and certainly that specialist help, particularly around renewal, the economics, the social, the design aspects. We have the ability to go out and find that advice, the specialist advice. What might appear to be a reasonably high figure reflects the fact that, as a small agency, we are reliant—in terms of particularly

design, documentation, the kind of advice we need around all elements of our program needs—on that outside support.

MR PARTON: You have described it as a lean agency. Twenty-one out of 25 staff are at senior officer level or higher; 84 per cent of your staff are on more than \$100,000. I just wonder again why so much of the work is contracted out. Surely we are talking about much of the core work, and I just wonder why more of it is not being done in house. Why do we require consultants to do all the place plans and the engagement and manage the activations?

Mr Snow: I think, particularly in relation to the place plans, we are part of those teams. We do not just write a brief and say, “Come back in six months and show us what you have done.” We are very engaged in the process ourselves. We are very hands on, particularly in relation to the way in which we work with those consultants. There is a project management component to make sure that we manage and get the outcomes we want from the briefs that we issue to those consultants, but we also make sure that through the life of the project we are very engaged in the way in which good ideas come to the fore, that we are getting value for money in relation to the way in which those services are provided. Craig, do you want to add anything??

Mr Gillman: In relation to the total of just over \$4 million you referred to, that includes, as you point out, some event management services, the preparation of the place plans et cetera. Those are services that might not strictly be consulting and fit in that bucket in the financial statements, but with approximately 24 FTEs in the organisation, when you allow for part-time work, leveraging those arrangements with other consultants or contractors to achieve the program is certainly part of our business model and how we are structured.

MR COE: Do you employ any casuals?

Mr Gillman: No.

MR COE: But you have no problem with the consultants and the contractors hiring casuals?

Mr Gillman: Through the procurement process, and where required, they do need to comply with secure local jobs requirements in the territory. The same standard procurement rules apply throughout that supply chain.

MR COE: Sure, but for all the events that are funded by CRA, are all the consultants and contractors allowed to employ casuals?

Mr Barr: Pretty standard for one-off events.

MR COE: Yes, so there is a need for casuals?

Mr Barr: There is a need, yes. On occasion there will be a need for casual staff, yes. But if they were casual staff doing exactly the same job every day for extended periods then it is a different circumstance. For example, the Canberra Theatre Centre has casual staff who are obviously called in for major events. There are plenty of

examples of that, yes.

MR PARTON: In conclusion, your communications and engagement team is nearly as big as your design and place strategy team. Why is there such a big focus on communications, as opposed to actual delivery of projects?

Mr Snow: A breakdown of that team is not only about comms and engagement. Clearly, we have to be able to respond to the media in relation to that work. This is the team that also provides, if you like, the overarching approach to the way in which we go about community engagement. When the authority was established, the government said very clearly to us that it wanted us to ensure that the community engagement around renewal was done in an exemplary way. Perhaps a criticism of past exercises was that that was an area we needed to focus on.

Included in that team is a graphic designer and a content producer. So we do not generally outsource a lot of graphic design. We do that in house. That means we get value for money in the way in which we can not only produce online content and graphic design associated with our own projects but also, for example, prepare videos and documentaries.

We have just produced one recently on the Sydney and Melbourne buildings which has been extremely popular and has been picked up. It helps to tell our story about what we are trying to do. Communication is not only about talking about our work; it is also about the way in which we continue to instil confidence in the community that we are listening to what they want and that there is a transparent and open process around that engagement to inform our work.

MR COE: How much did you spend on producing videos as opposed to actually promoting them?

Mr Snow: I think in the case of the one I just mentioned, Mr Coe, for the Sydney and Melbourne buildings, it was two or three days work, possibly a week's work—five days work—for this one individual on our team. We have our own equipment, our own cameras. We write our own scripts. It is low budget but high impact. If we were to go out to the private sector, potentially I think we would be seeing a much higher cost associated with the production of those sort of things.

MR PETTERSSON: What internal processes occur when a development application is referred to you?

Mr Snow: Thank you for that question. We are now a formal referral entity for all development applications within our precinct. Under those arrangements with EPSDD, we are obliged when those applications are referred to us to turn our advice around and provide that advice within 15 days. We receive those applications. We provide comments based upon those principles that you talked about earlier, the kinds of objectives that we have particularly around sustainability and high quality design. There are around seven or eight different criteria. We also provide a copy of all of that advice over the two-month reporting period to our board for noting. I am confident to say that I think we are making a difference in relation to the standard and quality of development proposals that are coming forward.

We get feedback from developers who engage with us, and often there are also face-to-face meetings with those applicants, in conjunction with the assessment team and EPSDD. The advice we are getting back anecdotally is that they find that engagement very helpful and it is actually improving the quality of applications—the design and development proposals that ultimately are formally assessed.

MR PETTERSSON: What kind of advice is given in these meetings?

Mr Snow: We make suggestions, and they are only suggestions. We are not the decision-maker. But, hand in glove with the DA team, we reinforce the sorts of things that we know the planning directorate are seeking to encourage through those development applications. As I said a moment ago, they really relate primarily to better design outcomes. For example, if we saw a new proposal coming forward with extensive ground floor blank frontage—not contributing to street life—we would ask the architect, and generally the architect and applicant are present together, why it is that we could not actually see a retail tenancy opening up on to the street. They are small but really important suggestions that we are making to applicants to actually achieve a more responsive development outcome and one that contributes, of course, to city renewal.

MR PETTERSSON: Do you have any real-world examples of this advice being actioned?

Mr Snow: Yes. I would quote the Coles development in Dickson, which has been a longstanding and sometimes difficult development proposal. We were given the opportunity with a new scheme. A new scheme came forward from Coles. I guess we were very conscious of the history of the particular project. But, to their credit, Coles and their architects were very open to listening. For example, on Antill Street we said that we found the presentation to Antill Street pretty monotonous, so they made quite significant changes to that particular building.

Another I would quote to you, closer to home, closer to us, would be Geocon's proposal for the new five-star hotel in Garema Place. Again, it is somewhat controversial, I could say. Nevertheless, it is a proposal which has drawn quite a lot of commentary. In that particular project, we supported the view of the capital design review panel, which was that solar access, particularly during the winter solstice on 22 June, was really important to Garema Place. What was submitted initially as a proposal was a building up to RL617, which is the maximum height. This is a building to the north of Garema Place, precisely where it would potentially result in quite a lot of overshadowing of Garema Place to an excessive extent.

Again, through a careful negotiation with the DA team and with the National Capital Design Review Panel, the applicant—in this case Geocon—understood that that was a non-negotiable aspect. They needed to reduce the height of that building in order to ensure that the things that we wanted to protect in Garema Place, including one of the most important aspects—solar access in winter—were recognised and that their design responded to these aspects. The height was dropped. They ended up acquiring additional site and consolidated that site. So it was a similar GFA, similar gross floor area, but a much lower building. Therefore, the impact has been able to be reduced.

THE CHAIR: Mr Snow, if the views are so strong, why do these proponents put forward DAs which, on the basis of what you have just said, they could not have had any chance of getting approved? Certainly, from the community's point of view—and I think particularly of the Coles development, where the community went to ACAT—it did not appear that it was obvious that these things were going to be rejected.

Mr Snow: You can appreciate that when developers are forming their view and formulating these development proposals, they look at the provisions of the Territory Plan. In the case of, say, the Garema Place hotel, this was the first development in that particular section. They had the opportunity to go to the maximum height, which was RL617. Their interpretation of the current controls was, "As the first redevelopment in that section, we have, theoretically, under the current Territory Plan code provisions, an opportunity to go to that height." What they did not understand or perhaps realise was really important about what would ultimately set that building envelope was the requirement for overshadowing.

Developers do what developers do: they want to maximise their yield; they want to go to the maximum height. Unfortunately, it then becomes a negotiation to go through the process of them understanding the importance of that provision around overshadowing and that their scheme would have to be modified in order to address what was an equally important requirement in the Territory Plan.

MR COE: How much of this is the role of the planning directorate as opposed to the CRA?

THE CHAIR: And how much of it seems to be the role of the community? In both of those instances, looking at it from outside—and, appreciably, I do not know what negotiations happened—these were things where there was considerable community opposition to the plans which were lodged. Presumably, that was—

Mr Barr: As Mr Snow has indicated, the CRA is a referral authority. It is not a decision-maker but its input is requested. I think that is appropriate. It and a number of other agencies are asked for views in relation to development applications. Given the design expertise both on the board and within the authority selected for that specific purpose, it is appropriate that they are a referral entity. Yes, ACTPLA is the ultimate decision-maker, but I do not think it is unreasonable that there are referral agencies.

MR COE: Therefore, what happens to the proposal in Tuggeranong that does not get this level of scrutiny, advice and opinion?

Mr Barr: There are referral agencies, of course, for developments across the territory.

MR COE: That is right, but why is it that a building in the city or in this particular precinct is more important, from a planning outcome point of view, than one in Belconnen, Gungahlin, Woden or Tuggeranong?

Mr Barr: I would not draw the inference that it is more or less important, but we have—

MR COE: But why isn't any other area in Canberra getting this same level of attention?

Mr Barr: You could mount the argument and continue that line of logic and there would never be any precinct authorities, ever, in any context. We have a city renewal authority. They have a precinct. They are a referral entity.

MR COE: I understand that, but isn't this just bread-and-butter work at the planning authority?

Mr Barr: They are the decision-makers, and, yes, it is. But just as is the case for certain designated areas within the territory where the National Capital Authority either have planning approval or reference requirements, so is the case in this area. We can have the argument about whether the CBD should be first amongst equals. It is a pretty consistent view expressed to government that the city centre should be first amongst equals.

MR COE: That is right. I wondered whether all of these resources would be better off in maintenance and activation, and leave the planning authority to do the planning.

Mr Barr: Being a referral entity for the handful of development applications that there are each year within the precinct is an entirely reasonable area for the City Renewal Authority to have some function and commitment in. I do not necessarily accept your line of thinking. If you have a different view, you are welcome to that, obviously.

THE CHAIR: We have about a minute left, so does anyone have an incredibly quick question?

MR PETTERSSON: I do have a very curious one. What on earth is a place intelligence dashboard?

Mr Snow: One of the things that we need to understand is how people use the city centre. Being able to access data and analyse that data in terms of people's behaviours and the way in which they use the city centre we have identified as being potentially very powerful, having regard to the way in which we can inform our place making within the city centre.

This is a step into an area where we think there is a lot to be gained, and to do that in a responsible way as a public entity, of course—to gather up information in terms of how people are spending their money and where they are going. We can do that when people have mobile phones. This initial exercise has established a really promising direction that we can take in relation to analysing, as I said, the behaviours and attitudes of people when they come to the city centre.

Mr Barr: Data analytics by a fancy name.

THE CHAIR: Thank you very much, gentlemen. I believe there has been at least one question taken on notice.

Mr Barr: About four or five, from memory.

THE CHAIR: You will hear from us.

Hearing suspended from 10.30 to 10.45 am.

Appearances:

Gentleman, Mr Mick, Minister for Advanced Technology and Space Industries, Minister for the Environment and Heritage, Minister for Planning and Land Management, and Minister for Police and Emergency Services

Environment, Planning and Sustainable Development Directorate

Ponton, Mr Ben, Director-General

Brady, Dr Erin, Deputy Director-General, Land Strategy and Environment

Rutledge, Mr Geoffrey, Deputy Director-General, Sustainability and the Built Environment

Simmons, Mr Craig, Chief Operating Officer

Cilliers, Mr George, Acting Executive Director, Merit and Estate Assessment and Deed Management

Kaucz, Ms Alix, Senior Director, Territory Plan, Planning, Land and Building Division

THE CHAIR: I remind members that questions on notice and supplementary questions should be lodged with the committee's support office within five business days of the uncorrected proof transcript becoming available. Responses to questions on notice should be submitted to the committee office within five business days of questions being received. Minister Gentleman, I see you already have the pink privilege statement in your hands; this is the enthusiasm we like to see here. I trust all witnesses have seen and are happy to agree to the provisions of the pink privilege statement.

Mr Gentleman: Yes, we do.

THE CHAIR: Minister Gentleman, as Minister for Planning and Land Management, do you have any opening statement in this context?

Mr Gentleman: Only to thank the directorate and staff for the work that they have done over this last period. They have picked up on particularly some delay in the DA processing part of the directorate. I am pleased to see that has picked up. We have started moving ahead on the Territory Plan review as well. Thanks to the team for the work that they do.

THE CHAIR: I will start with questions relating to housing choices. In the estimates hearings, you told us that you were planning to immediately implement two of the collaboration hubs recommendations through Territory Plan variations. That is the most recent thing we have heard. Could you please tell us where you are up to.

Mr Gentleman: I am pleased that those collaboration hub workshops went well, but I will pass over to the directorate for the details.

Dr Brady: With housing choices, there were a couple of recommendations that we wanted to proceed with. We have looked at separating a couple so that we can try to do those ahead of the planning review work.

We are advancing the ones associated with site coverage that also connect with the living infrastructure work. We are in discussions with the minister and the government about advancing that one. The other, which is a bit more about zoning, we are wrapping into the planning review work, because it brings up other issues around zoning, so we want to look at that in a broader perspective. Some of the other elements have been carried through with demonstration housing. If you want more detail, I might ask Alix to come up.

Ms Kaucz: One of the other recommendations we are moving forward with is the concept of co-housing, providing a range of housing options. That is something we are working on as well.

THE CHAIR: Are you working on that in advance of the Territory Plan review? Dr Brady suggested that it was only going to be the permeable surfaces that happened before that.

Dr Brady: There are two that are advancing.

Ms Kaucz: Yes, the living infrastructure permeable surfaces one and one for co-housing initiatives.

THE CHAIR: Could you be a bit clearer about what that is or is it too early to ask you? What do you mean by co-housing?

Ms Kaucz: During the housing choices engagement, we heard from a variety of people. The idea of co-housing is that it has shared facilities. That might be a shared kitchen or a shared living room; it is something that is not a full house on its own. It is not multi-unit housing; it is something where you have a shared facility. We are just investigating that.

THE CHAIR: And you are thinking that that may be something before the Territory Plan review?

Ms Kaucz: Yes.

THE CHAIR: As distinct from the various demonstration housing projects, some of which are co-housing.

Ms Kaucz: Yes.

THE CHAIR: What is the time line on the Territory Plan review?

Mr Ponton: The first point I would like to make is that this is a long project; it is expected to run over a three-year period. We have spent the last 12 months engaging with various parts of the Canberra community. That started with a session with the community councils back in December 2018. It was really just an introduction to the concept. In around March and April we had a fairly detailed workshop with industry and community groups, including the community councils. In around June or July we communicated with those people that we had been in contact with. In response to the feedback that we had received about over-engaging and making sure that we did not

overload people in the engagement exercise, we also tapped into the wellbeing indicators engagement work that was being done. We have been doing that in terms of using that process to get a better understanding of what people value in their local communities and what is important to them from a wellbeing perspective.

As I said, it is a three-year project. We are in that phase now where we have been doing some behind the scenes work and also some broader and targeted consultation and engagement activities. For example, we had the Manuka stakeholder panel on 29 July and also a Kingston drop-in session. We have held a stakeholder roundtable and workshop on the entertainment action plan. We have had a “your say” community panel survey with just under 1,000 respondents, 994 respondents, with 400 of those people advising that they would like to participate in more detailed focus group sessions on the planning review. We are currently working through that, developing the next round of focus groups with many of those participants and analysing what we heard through those engagement activities.

During the detailed workshop that ran over several days earlier this year, we also heard that we needed to do more in terms of engaging in the planning space with Aboriginal and Torres Strait Islander communities, so we have been doing that as well. We have been working with those communities to better understand how we can effectively engage with them on planning matters. We have also been working with ACTCOSS on engagement opportunities that focus on social inclusion. That is, obviously, linked into the work that we are doing on the planning review.

There has also been work on revitalising the environment and planning forum. We have taken a pause with that forum because the feedback that I was receiving was that it was not necessarily fit for purpose. It was really a case of directorate officials talking to community and industry people, as opposed to giving them the chance to really workshop and explore ideas. We are in a position to go back to EPF members later this month to talk through how we think we can better engage with that group. One of the first workshop sessions with that group will be around social inclusion as it relates to the planning review.

We have also been working on securing additional resources for the next phase of work; so a lot has been happening over the last 12 months. I know that some within the community have raised concerns that they are not hearing a lot, but in a three-year project it is necessary that we talk, we listen and we do the work. That has prompted, as I foreshadowed, the need to do some more targeted consultation, for example, with Aboriginal and Torres Strait Islander communities. We expect that we will be in a position to provide an update to the community, particularly through the community councils, in late November or early December in terms of where things are heading in relation to this work, with a view to then undertaking further engagement in early 2020, particularly around the development assessment system and district-level planning, with a view to providing advice to government soon after.

THE CHAIR: So the advice to government will be early 2020?

Mr Ponton: I would say within the first quarter of 2020.

THE CHAIR: You said this was a three-year project. How many years are we

through this?

Mr Ponton: One.

THE CHAIR: So you think it is still two years before the Territory Plan review is finalised?

Mr Ponton: In terms of the review itself, I would expect that the advice we provided to government would be the conclusion of the review. That will be looking at what we recommend as needing to change in terms of the system itself. We are not calling it the Territory Plan review; it is the planning review. I think I have talked in this forum before about the fact that many of the issues that we see with the current Territory Plan are a symptom of the legislation, the structures that we have. We are doing a lot of work in terms of exploring what might need to change as a system before we get to the detailed policy work.

What I expect to provide advice to government on in the first quarter is the pathway and the things that need to change. After that—for the rest of 2020—we will start doing a lot more detailed work. It will cascade and then the detailed policy changes might come through in that third year.

THE CHAIR: I may be misinterpreting you, but Canberra is being built as we speak. Actual changes that will influence how that happens—apart from the two you have just mentioned—are basically going on hold for another two years?

Mr Ponton: Not at all. As I said, the document I expect to present to government will set the road map for what needs to change. We will then need to do a whole lot of work to give effect to that, but it is not a case of nothing happening for two years. The road map will have an implementation plan and certain things will happen over a period of time.

So what I am saying is that we cannot do all of the changes at once; it will need to be an incremental process. We may need to make changes to the legislation before we can make changes to the structure of the Territory Plan and before we can then start looking at detailed policies. There may be some things that fall out of the review, in terms of policy change, that we will need to look at sooner. Part of the work we are currently doing is mapping that out for government's consideration.

THE CHAIR: Was this time line what you expected when you started housing choices? I do not think it is what the participants expected.

Mr Ponton: I have mentioned in public forums, and I think in estimates and annual report hearings previously, that I am somewhat impatient and I would love to have had this all done in six months. But we have to listen to the various aspects of the community. It is not just community councils; we are talking to a whole range of people and tapping into as many missing voices as we possibly can. That in itself has taken us a year, together with looking at what is happening in other jurisdictions and analysing the best bits of those.

Is it a reasonable time frame? Yes, it is. The last time a review of this kind was

undertaken, in the early 2000s, it took two to three years, and that was policy neutral. We are looking at potentially some changes to policy, but the detail is not yet known. There will certainly be a road map for the government to consider that will spell out in detail the various components, but we are not at the point of advising the minister or the government. That will be the first quarter next year. That will set out a very clear road map.

An important contribution to get to there is, in early 2020, the more detailed engagement through focus groups as we develop that road map. So the review will be done the first quarter next year, then there will be implementation that flows.

THE CHAIR: So it will definitely be the next Assembly before the Territory Plan review is finalised?

Mr Ponton: Absolutely in terms of a new Territory Plan and potentially new policies. As to what I would expect in terms of a major overhaul of the planning system, you are looking at at least three years. It was important for us in the first part of this Assembly to look at the spatial plans, the planning strategy. We spent 12 months doing that work and then we moved into this next phase.

MR PARTON: What role does EPSDD have, as distinct from the SLA, in regard to the oversight of Ginninderry?

Mr Ponton: The agreement with the Riverview Group that creates the Ginninderry JV is between the territory and Riverview. In terms of EPSDD's involvement, as the director-general and the territory's representative to that agreement I have provided an agency agreement to the Suburban Land Agency to act as agent. That is a long way of saying that we have a contractual relationship with Riverview to create the JV, but in terms of operationalising that, it is entirely the Suburban Land Agency.

MR PARTON: What reporting to EPSDD takes place for Ginninderry?

Mr Ponton: I have a weekly meeting with the CEO of the Suburban Land Agency where I get feedback on what is happening with the joint venture. Mr Simmons may want to add to this, but there is also a meeting between the senior executives of the Suburban Land Agency and the directorate that deals with a whole range of matters.

Mr Simmons: Thank you for your question, Mr Parton. I meet with senior officers of the SLA on a fortnightly basis on matters that may come up that we need to discuss around the joint venture—how progress is going and if there are outstanding questions around the joint venture. We keep abreast of it that way. On a weekly basis the joint venture provides a report to the directorate, to the SLA, on the progress of how much concrete they have put down, how much bitumen is going down, sales and all those other matters.

MR PARTON: What role did EPSDD play in the initial development of the arrangement we now have in place?

Mr Ponton: None in terms of the agreement itself, settling the agreement. Obviously

the directorate at the time would have provided comment through the cabinet process, but in terms of drafting the agreement that was the then Land Development Agency. I understand that originally the then Land Development Agency was intended to be the party to the agreement but late in the process that became referenced to the territory. There are some legal reasons as to why it then becomes the directorate, as opposed to the Suburban Land Agency.

MR PARTON: Is that agreement public? Is it possible for it to be tabled?

Mr Ponton: That is probably a matter for the Minister for Suburban Development, Minister Berry. Currently it is not public, but it is a question that perhaps you could put to the minister.

MR COE: With regard to equity contributions for the project, who determines when they are made and the amount?

Mr Ponton: As agent, that would be the Suburban Land Agency.

Mr Simmons: That is through the board of the Suburban Land Agency.

MR COE: You mentioned that a weekly report comes through. What is that report called?

Mr Simmons: It is just called the weekly update on the west Belconnen joint venture.

MR COE: Is it just some dashboard items or does it have discussion items as well about policy decisions, governance et cetera?

Mr Simmons: No, it is more a practical issue about updating the progress of the development.

MR COE: With regard to the planning for the development, including over the border in New South Wales, is that led by EPSDD or by the SLA?

Mr Ponton: The work happening across the border is being led by the joint venture. The joint venture is working with the New South Wales government and the Yass Valley Council. Servicing and arrangements were largely dealt with in settling the agreement, as I understand.

MR COE: What actually is the joint venture? Is the joint venture just a contract and then it goes left or right in terms of whether it goes to the SLA or goes to Riverview or is the joint venture actually a staffed entity that works independently?

Mr Ponton: Again, Mr Simmons might want to engage in this, but the joint venture is not a separate entity in terms of a company. The joint venture is the various parties: Riverview Group, which I think is the Corkhill Brothers, and the territory are the parties to the agreement.

MR COE: When you say that the joint venture is working on something, what does that actually mean in practice?

Mr Ponton: As I understand it—and again I will ask Mr Simmons to chime in at any point—there was a project manager, which is the Riverview Group, which has been appointed project manager as part of the agreement. That work is largely led by the project manager and reports to the JV board. The JV board has an independent chair and two representatives from the territory and two representatives from the other parties.

MR COE: Who are the territory representatives?

Mr Ponton: It is a board member, Angus Dawson from the Suburban Land Agency; and executive group manager Tom Gordon from the Suburban Land Agency.

MR COE: Are there any salaried public servants working—

Mr Ponton: As part of the JV?

MR COE: As part of the JV?

Mr Ponton: No.

MR COE: When you say that the joint venture is working on the cross-border planning issues, does that mean the joint venture board then tasks the project manager—

Mr Ponton: That is my understanding, yes.

MR COE: Riverview, to lobby New South Wales and to answer any questions.

Mr Simmons: To take matters through the planning side of things: Yass Valley Council. That work is being done by the project manager, who takes and runs the legal process that they have to go through, that the joint venture needs to go through, for the land on that side of the border that is run by them.

MR COE: Is there any work being done by the ACT government, particularly by you, minister, to lobby the New South Wales government or the Yass Valley Council to get a rezoning?

Mr Gentleman: No.

Mr Simmons: No.

MR COE: But is that not central to this development and central to the joint venture?

Mr Gentleman: The joint venture is the group that is doing the work in regard to lobbying New South Wales.

MR COE: That is right, but the ACT government is what makes that a joint venture with the Riverview Group. Does the ACT government have an interest in having a rezoning take place over the border in New South Wales?

Mr Gentleman: I have not been briefed on that.

MR PARTON: Of course you have got an interest.

MR COE: Is that in the joint venture agreement or not?

Mr Ponton: Certainly there is an interest in having the land rezoned because the development includes the land over the border. But in this line of questioning it is probably more appropriate in terms of the detail to raise those matters this afternoon because, as I said, the Suburban Land Agency acts entirely as the territory's agent in this matter.

MR COE: I understand, but this is about planning for the territory and the region and infrastructure as well. If the ACT is a party to a joint venture that includes going over the border of New South Wales, are the ACT government and the planning directorate and you as minister working towards the outcomes of that joint venture?

Mr Gentleman: I have not done any specific work. I think what I might do is take the question on notice. We will get the detail for you and come back, hopefully this afternoon, with the answer.

MR COE: What would help a lot would be if that joint venture agreement or that deed of agreement could be published, because then we would actually all know what the objectives of this whole development are.

Mr Ponton: Again, as I said earlier, I think that is a matter for the relevant minister, who will be appearing this afternoon.

MR PARTON: It does not sound like there is a joint venture on the ground genuinely operating. It sounds as though there is one side of the joint venture.

Mr Ponton: Again, I think it is a matter best dealt with this afternoon, because the Suburban Land Agency acts entirely as the agent of the territory on this matter.

MS CHEYNE: Could I ask some questions on Ginninderry while we are on it?

THE CHAIR: At a plan level, yes.

MS CHEYNE: Is Parkwood Egg Farm part of a broader strategy in that area out in west Belconnen? Is that land currently leased to that business?

Mr Ponton: The land is currently leased. I think there are about 20-something years remaining on that lease and, as I understand it, the Ginninderry development in terms of its staging has factored in the lease term for that facility.

MS CHEYNE: There have not been discussions about trying to acquire that land—

Mr Ponton: Over a period of many years there have been a range of discussions in relation to either the lease ending early or what arrangements might be able to take

place in that regard. But in terms of the current situation, there is a lease on the land and that lease will run its course.

MS CHEYNE: The consultation on the draft variation which amended the west Belconnen concept plan was held over Christmas. I appreciate that it was a two-month consultation, which was good. According to the report, it was publicised through notifiable instrument and a public notice on the ACT community noticeboard but not one submission was received. I was just wondering: while no formal submissions were received, did the directorate have any informal engagement or comment from members of the community about it?

Mr Ponton: I will ask Ms Kaucz to respond to that question.

Ms Kaucz: That variation looked at removing the requirement to provide gas in stage 2 of Ginninderry. We had done the variation for stage 1. We had got the one submission. The second one, stage 2, did not have any submissions. We did not have any follow-up concerns relating to that one.

MS CHEYNE: Particularly given the response in the community to misconceptions in the ACT climate strategy that have since been released about gas, I am very surprised that there have not been more comments for either of those two stages. Did the directorate consider undertaking, or did it undertake, any further engagement activities for either of those?

Ms Kaucz: No, because the variation was just making it that it was not mandatory to provide gas. It was not prohibiting the provision of gas to the stages, just that it would be at the discretion of the developer of the stage. We did not undertake any further consultation, given that it can still be provided. It just was not a mandatory requirement.

MR PETTERSSON: I have some questions on the Gungahlin town centre planning refresh. I was wondering if someone could explain to me why you are proposing to change the building englobo on Flemington Road.

Mr Ponton: I am happy to answer if no-one else wants to.

THE CHAIR: You could take it on notice, I guess, if it is not possible to—

Mr Ponton: Yes. That is a level of detail I do not have at hand.

MR PETTERSSON: I have a couple more questions in this space. Can you explain to me what work goes into releasing a refresh?

Mr Ponton: Yes, certainly. I will start and then I will ask my colleagues, either Ms Kaucz or Dr Brady, to go into more detail. But in terms of the Gungahlin refresh, obviously there was a master plan that was undertaken some years ago. As a result of that there were variations that were put in place, variations to the Territory Plan.

What we were hearing from the community was that developments were occurring that perhaps either did not meet community expectations or were raising some other

concerns. And they were concerned that perhaps, since that earlier planning work had been done, shifts were occurring in relation to market demand. Therefore an approach was made to us to revisit. This is normal planning. You put something in place. Over time things change. You need to just go back and see whether or not those original policies are meeting those expectations.

The planning refresh was just that. It was about looking at what was occurring in terms of the built form, whether that was intended under the policies that were in place and engaging further with the Gungahlin community to better understand what their needs and expectations were. That then resulted in a document, the Gungahlin planning refresh. That then resulted in a Territory Plan variation which, in and of itself, also includes public consultation processes. Ms Kaucz, did you want to elaborate further on that or have I said enough?

Ms Kaucz: I think that is enough, unless there are any specific questions.

Dr Brady: I can add a little more. Some of the changes are related as well to some feedback that we have been receiving around community facilities and how we were planning for community facilities in Gungahlin and the location of them. That was one of the elements we looked at.

I think some developments had been occurring—and this goes to some of the planning review work, in that some outcomes are unintended. We need to go back and look at whether what is in the planning system and in the development controls is generating that. We realised that we probably needed to revisit what the GFA heights and land use combinations were. That also drove some of the reason for the refresh and then what was in the Territory Plan variation.

MR PETTERSSON: How do you consider changes to building heights? What information comes in that makes you think building heights need to be changed?

Mr Gentleman: Usually community input, where they say, “This has occurred here. It does not seem to phase in with this group of buildings here or this sort planning.” On many occasions the community will ask for the refresh themselves.

Dr Brady: Usually when we are setting heights in a planning context we will look at geography. Often you might have the taller heights on a ridge. That is one approach. Then they grade down or centralise it in a central hub. That gives land marking and identification to an area as well. They are common urban design principles, at least, that we will consider when looking at heights.

MR PETTERSSON: I do not think we are going to get to the bottom of this. I will follow this up later.

MS CHEYNE: My question is about the billboards working group. I am very interested to know, following our inquiry two years ago, what is happening regarding signage—not so much billboards, because we do not have billboards in the ACT. How are we going in terms of providing some clear guidance on signage rules in the ACT? Has that working group finished its work? I note from estimates last year that there was a comment that recommendations would be provided to the minister earlier this

year. I am keen to know how we are tracking.

Dr Brady: The report had 14 recommendations, from memory. The first recommendation was that a review be undertaken and that it should report back by the end of the year. We are working towards that, to provide something to the minister in terms of how the work has progressed.

Probably a few of the items have been undertaken by TCCS, CRA and Access Canberra—some work around compliance, some work around sandwich boards and things like that by CRA. TCCS have been looking at their sign code. EPSDD has been looking at general signs. As you said, billboards are not generally permitted in the ACT. That is generally the position we would probably come to—that that should continue. That is largely set through the National Capital Plan.

There has also been further work around advertising hoardings. That has progressed as a separate item, in terms of how to address that, particularly around construction sites. So there have been pieces of work. The working group has met a few times, largely just to coordinate those pieces of work and how they are progressing

There are some parts of the broader general code that we might consider. If it needs changing, it will be done as part of the planning review, perhaps. At the moment we think the billboard ban is probably adequate to continue. The other pieces of work around compliance are continuing. We will be putting something to the minister, in terms of reporting, to meet that time line.

MS CHEYNE: This year?

Dr Brady: Yes.

MS CHEYNE: Where are we at with advertising on trucks that park on nature strips, and in the middle of Belconnen Way in particular?

Dr Brady: I might have to take that on notice, unless Alix can answer it. I know TCCS has done some work around signage on vehicles.

Ms Kaucz: TCCS are looking at it as part of their work, I believe. We do not know. It is not part of the work we are doing with the signs on private land.

Dr Brady: Maybe we could take that on notice.

MS CHEYNE: Yes. I am very curious because I know that one of the trucks I have seen recently is a Ginninderry truck. I have nothing against Ginninderry, but that is a government partnership, as we have just been discussing. My understanding is that, while there is a working group, and there is a working group because, as we discovered through the inquiry, advertising and signage sits in a range of areas across different directorates, EPSDD is leading this work. I am very keen—if you could take it on notice—to know what is happening in that space. I get many complaints about trucks on Bindubi Street and Belconnen Way. Are you also able to take on notice, since the establishment of that working group, how many times it has met?

Dr Brady: Okay; we can do that.

MS CHEYNE: While we are on advertising hoardings, how are we going with that? I think it was this time last year that I raised, through this channel, concerns in the community about sexualised advertising done by not just one company but several in the ACT. I certainly have not seen any material changes there. I am curious to know what is happening.

Mr Rutledge: A couple of things have happened in that space. Both Minister Gentleman and Minister Berry met with the federal advertising regulator and put forward those concerns. They have since launched a review of their code of ethics. Again, Minister Gentleman put in quite strong representations that the current provisions in their code of ethics are not meeting the community standards that Canberra expects.

Separately, we have developed some guidelines for use, particularly for construction hoardings. We have circulated those internally through the human rights office, the office for LGBTIQ+ and the office for women. We will put those as a condition with our notices of decision. When we approve a DA, we will be saying, “The DA is approved, and we expect that the signage will comply with these guidelines.” The challenge for us—

MS CHEYNE: I think you are being quite deliberate with your wording—that you expect that there is compliance with the guidelines. You have said they are guidelines, so are they unenforceable?

Mr Rutledge: No, they are not enforceable. That is why we are putting them in the compliance with the notice of decision. Why I am choosing my words carefully is that there are some proponents in this city that do their advertising long before they have lodged a DA and long before their DA is approved. There would still be a challenge there for some providers. But we were looking for, I suppose, the most efficient way, without having to regulate a path that the commonwealth should be regulating, or that the industry should be regulating through self-regulation.

What has happened is that the government has made the representations to the regulating body, the self-regulating body, the advertising standards board; then, separately, by putting these guidelines through a condition of a notice of decision, that is a further reminder that we expect advertising hoarding around construction sites to be suitable to community standards.

MR PARTON: Surely those guidelines would have to apply to all outdoor advertising of all products, wouldn't they? If not, why not?

Mr Rutledge: That would be a broader challenge, and that would see us regulating an area—

MR PARTON: Of course it would. Yes, I understand.

Mr Rutledge: That would have the planning authority regulating an area that currently industry self-regulates. I am not certain that government wanted to take that

step. We saw that there was community concern around some particular construction sites where the advertising was not meeting community standards. It has been twofold. Firstly, we have gone to the industry body to say that the code is not meeting community standards, and that has been quite strongly represented on behalf of the Canberra community. Secondly, and separately, to try to address the specific concerns of construction hoarding, we have introduced a new set of guidelines.

MR PARTON: I note that the minister, in his commentary on this, suggested that he had concerns with advertising images that did not relate specifically to the product. I do not know if you watch much TV, minister, but the reality of advertising is that most of the images do not relate specifically to the product. I have always been astounded at the approach here on this. I do not get it.

Mr Gentleman: It is reflecting what the community has said to us about standards in advertising for building in the ACT. Their view is that it should be relating to the product and not sexualising a gender.

MR PARTON: For argument's sake, you can look at Coca-Cola advertising over the last 50 years and at how much of it actually has images of Coke in it and how much of it has images of other things. I have never understood the concept of what it is that we are trying to achieve.

Mr Gentleman: We are trying to achieve a balance where the community feels that the advertising by particular proponents in the ACT is appropriate and up to community standards.

MS CHEYNE: Has the directorate continued to receive comments from the community regarding advertising on cladding and hoardings?

Mr Ponton: Not that I am aware of.

Mr Rutledge: No, we have not received them more recently, but we have been engaging with industry. Perhaps the pressure of the community, the pressure of having it raised, has toned down some of the sexualised hoarding that we saw on a couple of specific developments.

MR PARTON: Would there be different rules for firms that were currently before the Fair Work Commission battling the CFMEU or would they apply to everyone?

Mr Gentleman: I do not know that the CFMEU is doing hoardings in construction areas, but we could take that on notice.

THE CHAIR: We have possibly exhausted this part of the questioning.

MS CHEYNE: I think we have.

MR COE: Back to developments over the border in New South Wales and the Riverview project in particular, what strategic work have you done about how developments to the north-west feed in to the ACT planning strategy?

Dr Brady: We do a couple of things. As part of the planning strategy we looked at the region and the growth in the region. Just to digress slightly, we also participate through CMTEEDD on regional work they lead. That is in liaison with the councils around the area and other service providers.

From a planning perspective, someone within our team does the planning coordination at the regional scale and looks at the growth patterns that are happening more generally in the region around Canberra and what is happening with those councils in terms of their growth projections. A regional plan is going through the New South Wales government at the moment I believe that looks at how that area around the edge of the ACT is treated, how we look at growth in its connection with the ACT and whether there should be a buffer in areas so that we do not see development all the way around the border. That is a more regional perspective.

In the planning strategy, yes, we looked at what growth is happening and what transport there is for people working in the ACT and living in other areas. We have worked with colleagues in other directorates to try to understand the different choices people make in living in those areas and what impacts it has on our services and infrastructure more broadly. They are broader considerations that we take in terms of planning for the population that will live in and around the ACT and utilise services within the ACT.

Mr Ponton: Obviously there is a desire to focus growth 70 per cent within the existing urban footprint. It acknowledges that there is a need for greenfields development. In terms of the planning strategy itself, it acknowledges those decisions that have already been made. You will see that land already zoned for greenfields is included in the planning strategy. As Dr Brady has outlined, we need to understand the impact on our city of the growth within the region in terms of what is on the books or what is not.

MR COE: But for Ginninderry and over the border into New South Wales, what specific planning has been done about how it interacts with the ACT, how it interacts with Belconnen, the infrastructure that is required, the service provision et cetera?

Mr Ponton: Work was done as part of the rezoning process. A National Capital Plan amendment and a Territory Plan variation were done around 2015. Certainly we could gather that information. Being from 2015, obviously it is not right at the front of my mind, but certainly work was done to support those planning processes, as is normal practice.

MR COE: What about roads that will be required? Is that on the agenda?

Mr Ponton: Yes, that is all part of that work in terms of understanding the impact of that growth, as we did with Gungahlin or any other part of the city that has grown.

MR COE: Yes, I understand that, but—

THE CHAIR: Could you include, as part of the information you provide to us, financial information insofar as how much it will cost the ACT to support the development there and what are the financial implications?

Mr Ponton: That is getting to a level of detail in terms of the JV itself, so I suggest that that is a question for the Suburban Land Agency. In terms of the planning work that was done, I am certainly happy to work with the planning policy team and provide what we can. All that material would be publicly available in any event, to support the variation and the National Capital Plan amendment. We will provide that to you or web links to that information.

MR COE: Do you have people in the directorate who are right across Ginninderry and for whom it is front and centre, and does that feed in to every aspect of your planning for the future?

Mr Ponton: We certainly have people. There is an engineering team in terms of water, sewers, roads and the like. They provide the planning advice and they work with their colleagues across other directorates to make sure that as those developments progress that is fed back into our planning work. So, yes.

MR COE: What unit or branch is managing the policy questions for going over the border in the north-west of the ACT?

Mr Ponton: As Dr Brady said, our planning policy team works with our colleagues in CMTEDD who work cross-border. In terms of the impacts of that regional development that fits into the planning strategy, that is the planning policy team as a normal input.

MR COE: I wonder whether everybody just assumes that a different part of government is doing it.

Mr Ponton: No, we do not assume anything, Mr Coe. Planning does that work absolutely, and we work across all parts of government and make sure we have had all the inputs—Transport Canberra and City Services; Chief Minister’s.

MR COE: So when is the first house going to be built over the border?

Mr Ponton: I would need to look at the program.

Mr Simmons: It is more than 20 years away.

Mr Ponton: I was going to say 20 to 25 years away.

Mr Simmons: So there is at least 20 years worth of land supply in the territory before we get to across the border.

MR COE: Yes. And so—

MR PETERSSON: That depends on the rate at which it is released, though?

Mr Simmons: Yes, the rate of release and the rate of sales as well. The joint venture at the moment has enough land supply within the territory for at least the next 20 years at the rate at which it is releasing land. In the same way that other land

releases are taking place in other parts of the city, the developers will have a schedule about how they are releasing. This one has quite some time to go.

MR COE: So is it in the ACT's interest that the land over the border is rezoned?

Mr Simmons: It is my understanding that the land over the border has been rezoned.

Mr Ponton: Decisions have been taken to support that, but it still needs to go to the New South Wales government.

Mr Simmons: Yes, the Yass Valley Council.

Mr Gentleman: The indication is that they would not support it.

MR COE: And that is in the ACT's interest?

Mr Ponton: I am sure the ACT government of the time would not have signed the JV unless it thought it was.

THE CHAIR: I am interested in entertainment areas, as we all are. I will use Geocon's Garema Place development as an example. It was touched on earlier today, and Mr Ponton obviously heard although did not participate in that discussion. How, with the existing DA processes, can you ensure that the hotel does not stifle vibrancy in the area?

Mr Ponton: Mr Cilliers is looking at this matter in great detail.

THE CHAIR: The impression I got from the CRA was that they had a stern talking-to to the proponents, suggesting that there needed to be better sunlight provisions, and that the stern talking-to made the difference.

Mr Ponton: Before Mr Cilliers launches into the details, I heard that discussion this morning and I want to reinforce the point that the City Renewal Authority is a referral entity. Proponents engage with the City Renewal Authority, as they engage with a range of others. In responding to that this morning the Chief Minister highlighted the fact that other parts of the city have an interest from other agencies, such as the National Capital Authority. If there is an overlay, proponents would ordinarily talk to the National Capital Authority.

There was a question around why the city and not other areas gets attention in terms of high quality design. I point out that that is exactly why, with the government's support, we have established the National Capital Design Review Panel. That looks at all developments that meet certain criteria, including five storeys and above, across the city. There was a reference to Tuggeranong. If there is a development that is five storeys and above in the Tuggeranong town centre it will go to the National Capital Design Review Panel.

That is simply one input into Mr Cilliers's assessment and that of his team. The development assessment team have the Territory Plan. The Territory Plan is written in a way that provides for hard and fast rules and criteria. Criteria are subjective, so we

like to seek as many views as we possibly can. The National Capital Design Review Panel gives us the input from a design perspective. We get community input; there may be a different view as to how those provisions ought to be interpreted.

There was a reference to the Coles development this morning. Certainly, the community had a different view about that, and it is open to them to form a different view. Equally, it is open to the tribunal, because it is subjective, to form a view, having considered all the various inputs. The City Renewal Authority is but one of many inputs that professional planners need to consider in making a decision on a development application. With that overview, I will hand to Mr Cilliers to talk in more detail about noise attenuation and buildings.

Mr Rutledge: Sorry, before you start, Mr Cilliers, you know that this is a live DA. It is currently under assessment by the planning authority; so I think we will let Mr Cilliers talk about noise attenuation, but it is a current DA. I do not think we should use this committee to talk about how we are assessing that proposal.

Mr Ponton: Yes, thank you for the reminder, Mr Rutledge.

Mr Cilliers: As Mr Rutledge said, it is a current DA under consideration; so I am limited to how much I can comment on it. What I can say, though, is that it was referred to the design review panel on 13 March 2019. As part of the proposal, it is important to link into what Mr Ponton said around the role of the CRA and the DRP. The DRP provides design advice at a concept stage whereas the CRA provides advice that is, to a large extent, concerned with public domain and the impacts on public domain. The Planning and Land Authority is confined to the considerations in section 120 of the Planning and Development Act, which includes the rules and criteria in the Territory Plan.

In the case of Garema Place, there is a requirement, for example, for a planning report to support a development application or to inform a development application. Overshadowing is a significant consideration in a development like that in that sort of locality. The CRA advice, from my understanding, relates to a large degree to maintaining the level of solar access into Garema Place.

THE CHAIR: We will move away from that development. I was more specifically concerned, as I said, about the entertainment action plan. We were talking more about noise. That particular development has been raised as an issue and it has been raised in many other developments. With the existing laws, how can we ensure that we can still have some entertainment in the city? There have been some recent changes suggested. How would the actions in the recently released action plan change it?

Mr Cilliers: In terms of development assessment, we largely rely on advice from the Environment Protection Authority and the noise management plan for a mixed use development. Mixed use developments all require noise management plans. So that is where we require the advice from the EPA. We can make it a condition with the EPA to conform to the requirements of a noise management plan, as well as any additional measures imposed by the EPA.

THE CHAIR: Would the action plan make any difference? I am sorry; I am confused

about this.

Mr Cilliers: Yes, the action plan—in our assessment of the DAs, we are confined to the considerations in section 120 of the act. That takes us back to entity advice, the EPA. EPA highlights those aspects of the action plan that they think should be conforming to a noise management plan. That is my understanding.

MR PARTON: Can I simplify the chair's questions? I think what she is asking is this: what has actually changed on the ground as a consequence of the announcement of this entertainment action plan? If nothing has changed as of today, when will it actually change?

THE CHAIR: Well said, Mr Parton.

Mr Gentleman: It will be interchanged after the trial. So we have announced a trial for entertainment opportunities in Civic over this summer period: the festive season over the summer period. It will finish off after that. We will have a look at the aspects of that trial and the feedback from the community and business as well.

MR PARTON: But what actual regulatory change comes into force as a consequence of the announcement of that trial?

Mr Gentleman: It will come after the trial is completed and then we will look—

MR PARTON: Right, but—

THE CHAIR: So zero is the answer.

Mr Gentleman: This is what I am getting to. We will look at what regulatory change can be made when that trial is completed. If you look at the Civic area, for example, we already know that we have very little complaint about noise in the Civic area. So it may well be that we can lift the DB levels in those entertainment precincts. We have talked in the Territory Plan about whether we can have precincts that are entertainment precincts. Then there are timings for when people arrive at those precincts. For example, if there is music there before residential occurs, they would have that opportunity to stay in place.

Mr Ponton: I can add to that, and perhaps this is where I think the question is going: how do we make this happen now for the trial? That is done by administrative arrangements, working with the EPA. Then once we get the feedback and data from the trial, we can look at giving effect to those arrangements through a regulation or the plan.

THE CHAIR: What sort of time line do we have on any actual substantive actions, given that they do not appear to be happening when you have got lists of potential locations for entertainment areas? From what you were saying earlier, will they have to wait until after the Territory Plan review?

Dr Brady: That is not necessarily the intention, that it would wait until after the Territory Plan review. One of the things that has happened is that we recently did

consultation on extending the noise limits in town and group centres and in the city centre. We finished that consultation and we are proposing to the minister what our recommendation is around that. So that is one step towards some potential changes with not the noise level, but with the extension of time that will support activity in centres.

The trial identifies a particular area. As the minister said, it will go over summer. That will give us the policy basis to make a decision about whether further noise levels need to be changed. We are a little restricted in what we can do around the national construction code in terms of building requirements. But it will give us the data to be able to make recommendations around permissibility of uses and noise levels, which tools we might be able to use to make changes. But it is not our intention to wait a couple of years as part of the review. I think that that was part of your question earlier around the planning review. There may be some things that come up while we are doing this work that we do have to proceed with as we go through rather than delaying them until we make a wholesale change to the Territory Plan.

THE CHAIR: In summary, in the short run there are the tweaks on the EPA noise level. That is, in effect, for a few months. But obviously that does not have any ongoing impact on DAs. After those few months, you may then consider some changes which would impact on what DAs are permissible. Is that—

Dr Brady: Not necessarily what DAs are permissible; what the conditions are to support entertainment in those areas. Do we need to change the noise levels or—

THE CHAIR: Yes, sorry, that is what I was meaning by the permissible—

Dr Brady: It is permissibility and compliance. We might find that during this period there are not really a lot of complaints and so there is not really a compliance issue. So there might be another tool that we need to use. It might not be about the noise levels. It might be about other areas, trying to make that sure we keep entertainment venues in particular areas.

One of the other things that we are looking at is that we identified two different entertainment areas, one in the centre and then also at other venues. That was one of the things that the industry raised—venues of a certain size—and that we have heard since as well within the centres. So we are following up and looking at those sorts of things around what venues do exist. Are there properties that we could use for particular venues of a certain size to support the industry? As with a lot of these things, we have to make sure that the competing interests of lots of different people are considered as we move forward.

THE CHAIR: Thank you, but it does not seem a very enthusiastic answer in terms of entertainment precincts or interaction on this going forward.

Dr Brady: Sorry, if I am—

Mr Gentleman: I must say that the response from the community has been fantastic since we dropped the paper.

THE CHAIR: Absolutely. That is, in fact, the point. The response of the community has been enthusiastic. The same level of enthusiasm does not appear to be happening from a regulatory point of view.

Mr Ponton: We were very enthusiastic in developing the action plan. Of course, implementation will be equally enthusiastic. I think what Dr Brady is trying to say is that there is a range of things in that action plan that we need to implement and we will do that. Some will be immediate. Some of them will be longer term. I mean, it is articulated in the action plan itself, isn't it, Dr Brady?

Dr Brady: Yes, sorry if I am not exhibiting enthusiasm about it. It has actually been a really good project and progress in a short period of time more recently.

THE CHAIR: I do not think we are getting any further on this.

MR COE: Can I ask a supplementary on it?

THE CHAIR: Yes; go for it.

MR COE: Mr Ponton, you were here earlier when I asked questions of the CRA about what their remit is. Then we heard about the specific requirements by which EPSDD makes their decisions for DAs. What stops EPSDD also providing advice, in exactly the same way the CRA does, about stuff that is not necessarily part of the DA but is a good planning outcome, especially for the public realm?

Mr Ponton: There is nothing that prevents us from doing that but, equally, there is nothing that prevents us from saying the same things that the community tells us. We often see that as well. The community raise concerns; we have the same concerns; and we have often already shared those concerns with the proponent. Again, TCCS provide us advice in relation to traffic management; we may already have those concerns.

MR COE: Sure. Does the CRA have any planning expertise that is not also within the capabilities of EPSDD?

Mr Ponton: I am not familiar with the particular qualifications of each of the members of staff in the City Renewal Authority, but the focus that the City Renewal Authority has is looking at a whole range of things in the precinct. The development component is but one of those, and it is completely reasonable that they provide us with their views in relation to the precinct.

MR COE: It is just one, but they are just advisory and they seem to be putting a lot of work into duplicating work that is done by EPSDD.

Mr Ponton: I would not necessarily agree with that. Any input that we get is useful input. It is like the design review panel. The design review panel might be looking at a development from a slightly different perspective. It is useful to get those different perspectives. And we are tapping into some very qualified expertise, certainly in terms of the board. We tap into some of the board members in terms of the advice that is provided. It is not duplicative; I would suggest that it is complementary.

MR COE: Do you have any expertise about place making and do you have expertise that actually concentrates on planning in the city?

Mr Ponton: We have expertise in place making, yes.

MR COE: Do you have any resources that concentrate on planning in the city?

Mr Ponton: Yes. We work with our colleagues in the City Renewal Authority, so there is no duplication, and we complement each other in terms of that work.

Dr Brady: In our org chart, there is a group called major projects. In that group there is a focused city team. They work really closely with the CRA. We do more of the policy work; they are more of a delivery agency. We have had quite a lot of movement across the two organisations; we work together quite closely.

MR PARTON: When it comes to land supply for housing—I am talking about areas south of Molonglo—what is the government doing to improve housing choices for those in the south, in Woden and Tuggeranong specifically. In previous hearings and discussion in various forums, we have discussed that the level of infill of 70 per cent that the government speaks of cannot possibly apply in many Tuggeranong suburbs, just because of the way that they are constructed and because it is going to be physically impossible. I understand that the 70 per cent figure is on a city-wide basis, but I am worried at the lack of housing choice for the south. Additionally, as a consequence of that—it has been identified very clearly in the planning strategy—I am worried that we will see a declining population in Tuggeranong. That has not been kept a secret.

Minister, as planning minister, are you happy to preside over the strangulation of Tuggeranong in regard to its population?

Mr Gentleman: I hardly think that our directorate, or I as the planning minister, are strangling Tuggeranong.

MR PARTON: But it is in the strategy.

Mr Gentleman: No. What is in the strategy is a recognition of what has occurred in the past in Tuggeranong, where we have seen a decline in population. That does not mean to say that it is going to happen into the future.

MR PARTON: From my understanding, it scopes out to a later year. I can find the page for you, if you like.

Mr Gentleman: My response to you is that we certainly do not want to strangle Tuggeranong. In fact, we have seen growth in housing in Tuggeranong. There is more density around Lake Tuggeranong, for example, and in the town centres and group centres. And that is what is in the planning strategy. It is density around town centres and group centres. We have also seen a really strong investment by particular groups in older persons accommodation and in smaller communities—downsizing for older people who still want to remain in their suburbs—into the future. I do not agree with

your summation.

Mr Ponton: If I could just add to that, in terms of the data that you are referring to in the planning strategy, I understand that that is looking at previous trends and what might then occur assuming that some of that continues in terms of the decline that has been occurring.

MR PARTON: It would have to continue under the current policy direction, wouldn't it?

Mr Ponton: No, I do not believe so. I will come back to that.

What we are seeing in Tuggeranong is around demographics as well. People who have older children moving out might move to other parts of the city so that there are now two people in a home that previously had three, four or five people.

In terms of the policies, I do not quite understand. There is nothing in the planning strategy, or the work that we are doing, that excludes Tuggeranong from that work. For example, in the Tuggeranong town centre, you are seeing multi-unit development. There is RZ2 zoning all through Tuggeranong. There are opportunities for people in Tuggeranong to have participated in the housing choices project, through Minister Stephen-Smith. There is nothing that excludes people in Tuggeranong from taking advantage of the current policies.

In terms of the planning strategy, looking at further opportunities for increased densities, I cannot see anything, or recall anything, in the planning strategy that would prevent that. It is a city-wide strategy.

Mr Gentleman: In fact, if you look at what is occurring in Greenway, it is one of the biggest growth suburbs in Canberra.

MR PARTON: I would acknowledge that, but when it gets down to the suburban areas, I just cannot see how it is possible to roll out a policy that involves 70 per cent infill in those suburbs. I cannot see how that is physically possible. A number of stakeholders that I regularly converse with in the planning space agree completely with me on that.

Mr Gentleman: Would you be surprised to hear that it is already occurring? If you look at Canberra at the moment, what has occurred over the past number of years is 70 per cent urban densification and only 30 per cent greenfields development. It is happening right now.

MR PARTON: But it is not happening in Tuggeranong, minister.

Mr Gentleman: I think it is. If you look at the growth in density around Greenway, for example, as I mentioned, and also the downsizing of people into older persons accommodation, in many of the suburbs—certainly in Lanyon Valley, Calwell and Isabella Plains; I have not seen any in your suburb yet—there is no doubt that that is what is occurring. We are seeing blocks of land bought up; we are seeing retirement people going in and investing; and we are seeing older persons downsizing into those

individual living opportunities.

Mr Ponton: I will just reinforce the point I made earlier: there is nothing in the current policies that prevents proponents from going into those RZ2 areas or CZ areas and providing for that housing choice. We do see development applications, certainly from multi-unit housing, in the south.

Mr Gentleman: I think, too, to add to my comment earlier, if you look at the new opportunity that is happening at the back of the town centre, you will see a huge investment in what was the DSS site, which is going to be older persons accommodation, and denser accommodation on the old archives site as well.

MR PETTERSSON: What are you doing to improve DA approval times?

Mr Ponton: I will ask Mr Cilliers to come to the table. I think that he was hoping that such a question would be asked because he has been working very hard with his team to improve DA processing times. We thank the government for providing additional resources to that team. We have talked about the reasons why we have seen a spike in both complex DAs and the number of DAs. I will ask Mr Cilliers to talk through recent data in relation to the improvements that are being made.

I should point out that, in terms of those additional resources, recruitment has only recently concluded. It has only been in the past month or so that we are really starting to see some changes. I am already receiving very positive feedback from industry in that regard.

Mr Cilliers: I will start by giving a quick snapshot of what has happened since July. Currently, as of yesterday, we have 259 active DAs in the system. In October 2018, at the same time, we had 462. That is a 38 per cent decrease over a 12-month period. Since 1 July, when we received the additional funding, at that point the number was closer to the 400 mark—393. That has reduced by 27 per cent to the current 259. That is just active DAs. We also process section 165 applications, which are endorsements—plans. That is effectively also an application, and there are section 197 amendment applications.

There has been a significant reduction in the backlog. I will not say that we are out of it, but I think we are very close to being out of it. Certainly, I can see that we will be out of it by the end of the year. The emphasis now is on getting out of the backlog before the end of the year; then next year we will focus on the actual time frames.

Since July, we have done recruitment and have got new staff in. It took us a while to get people settled in. We have seen the most significant improvements in the past month, during October. For example, we have determined 150 applications in a single month, which the team can be very proud of.

In terms of what we have done since July, earlier there was mention that the staged assessment model has been in place for a little bit over a year now. We have done a little bit of additional work in terms of refining and improving it. In the first instance we tried to build on the integrity benefits of the staged assessment model. At a previous hearing I explained the stages. The idea is that a single officer will not be a

delegate on a single DA. A development goes through six stages; each stage gets determined by a different officer. Nothing prevents an officer from handling more than one stage, but I can say that any DA that is determined is handled by at least three persons. That in itself is a significant integrity benefit for us. We are trying to build on that and to reinforce and refine our documentation around that.

The most significant change was in triaging DAs. We had to acknowledge that there are larger and more complex DAs that take more time, and that will actually block other DAs coming through if you do the fair thing and assess DAs from old to new. At the same time we also had to acknowledge that people who may be affected by that—your typical mum and dad DA—are being held back by a significant development in front of them. I use the example of sitting in a queue, where you have somebody who takes a lot of time to process and you have simple DAs.

We also had some conversations with some of our applicants and with industry around that. We introduced what we call dual streams. In terms of triaging, we now separate DAs that are \$1 million or less. They are mostly the mums and dads sort of developments. We take them out and provide a separate list for officers so that they can pick off DAs. They are generally easier, quick ones that are quick to determine. Any of the other DAs are assessed in terms of old to new, in that sense.

We also had to acknowledge the service we need to provide for government capital works and critical community infrastructure. We look at those slightly separately, in terms of triaging, and we support those DAs particularly, because they have to deliver a certain capital outcome or development outcome within a financial year.

We have also provided some emphasis on quality and consistency. We took out three of our senior delegates that are highly experienced assessing officers, as well as planners and architects, and one of those senior delegates is given the task of assessing design quality, specifically. That particular officer will attend DRP meetings and will also provide up-front advice on what I would call a legacy development—significant developments.

I have asked another officer to look into practice and policy, and assist in building on consistency in our decision-making. A number of DAs raise the same sorts of issues, and there is value in trying to be totally consistent in those. We have also seen a reduction in the number of appeals as a result of that; I think I can safely say that.

I embedded a third senior delegate with the stage 2 and stage 3 that deal with entity referral notification. His task is mostly around process, to try to work out process issues with referral entities. We do continuous work on our assessment document as well as our notice of decision, to make them more robust. Again, it is about providing an emphasis on consistency.

Mr Rutledge: When we started this process of a staged assessment, which was probably in August, 15 months ago, we received some industry feedback that they no longer had a single officer that they could ring up and talk to, and there was a little bit of noise around that.

We have continued to engage with industry along the way and listen to their concerns.

When I was getting that feedback, I said, “Was it better the old way?” The response was always, “No, don’t change it, just work faster.” What we have seen in the team is that we have refined it. Certainly, with the additional resources that came in July, the staff were on board in August. In those last three months, not only have we cleaned up some of our oldest DAs—which does not help our median time frame but we have cleaned up some of our oldest DAs—but also the active DAs have reduced by 30 per cent since those new resources came on board.

It certainly endorsed the work that we have done and the changes that we have made. The feedback that we are getting from industry, whether they be large players in our city or the mums and dads, is that the mums and dads are getting approvals very quickly. The bigger players in the city are absolutely now on board, having regard to the feedback through that process and keeping them up to date through that process. We had a stage where they were not seeing that feedback, but now they are getting that feedback, they know where they are, they understand the staged process and now we are seeing some very good results, particularly in the last month, as Mr Cilliers said.

Mr Cilliers: I emphasise the importance of exempt declaration applications, which actually involves a minor DA. Last year—

Mr Rutledge: We are down to about four days, aren’t we?

Mr Cilliers: Yes, we assessed about 900 of them and since July we have seen another 314. The average is just under five days.

MR PETTERSSON: You mentioned that anecdotally there has been a reduction in appeals. How often were you experiencing appeals beforehand and how often do you experience appeals now? I know it is limited information to work off.

Mr Cilliers: I will probably have to take on notice the actual number of appeals over time. It depends on how far you go back. A few years ago we had a fair number of DAs that were appealed in the tribunal. I can tell you what we have currently.

Mr Rutledge: Mr Pettersson, there are two things there. One is that before they go to the tribunal, there is an application for reconsideration. We are seeing, because of that greater engagement through the process—again anecdotally but we will get the numbers to support those—fewer numbers for reconsideration, which is great, and which means we do not need to reassess them ourselves. And appeals to ACAT are very rare. When they are appealed, if I look back at the past financial year, of those that were appealed, in 88 per cent of cases ACAT agreed with the decision of the planning authority. So even when appealed, we are getting endorsed at ACAT as well. It is through constant engagement with the proponent, and quality outcomes are what we are seeing.

Mr Cilliers: In our annual report last year we had 24 decisions on DA appeals. Twenty-one supported the authority’s position and six were consent decisions, or mediation. We currently have eight.

Mr Rutledge: On those numbers, 24 versus eight, we are in a good space right now.

MS CHEYNE: My question might be for you, Mr Cilliers. With the development in Belconnen town centre, it has been put to me, and I think there is good reason for it, that the roads in the town centre are almost at capacity in terms of how much they can handle, particularly at Chan Street, Chandler Street and College Street. Recently, much of the community has been taken by surprise by the Morris Property Group announcing what they would like to do with their site, which falls outside the Belconnen town centre master plan. I am wondering if these concerns are views that are held within the DA assessment team and whether there has been ongoing consideration about how much development the roads in the town centre can handle?

Mr Cilliers: Traffic impact is part of the matters we have to consider under the act in terms of section 120. We mostly inform our decisions by the traffic reports being submitted by applicants. Those then get referred to TCCS and to other traffic experts. Quite often, we require further information for the assessment of those. TCCS also quite often require updated counts to support the findings of those reports if they do not think they stack up in terms of numbers. Basically, that is what we use to inform our decisions.

MS CHEYNE: Yes, but is there concern? This is my question. There is a huge land release program still for the town centre. I know there is that weird development further down on Chandler Street near the gymnastic centre. In addition—I know this falls under urban renewal—a considerable piece of land is going to market later this year across from the Belconnen community centre. It is a lot of development in a very condensed space, thanks to what has happened with Republic. I am wondering if those concerns are shared. I appreciate that you take all this into account in making those decisions, but how much can the town centre actually handle on its roads?

Mr Cilliers: As independent decision-maker, I have to be careful to express concern around that because it may compromise my position in future decisions.

MS CHEYNE: I understand.

Mr Cilliers: I cannot really tell you that. What I can tell you is that we try to keep the information as updated as possible. As traffic impact studies come in, we quite often require further information. TCCS may require further information. That then gets used to supplement the information to build a bigger picture to understand what the network capacity is.

MS CHEYNE: You are only getting those studies at that point in time, not in terms of future points in time?

Mr Cilliers: Yes.

MS CHEYNE: I imagine the DAs that you are getting at the moment are not taking into account what might happen particularly on that major car park site across from the Belconnen community centre.

Mr Cilliers: Within a reasonable degree, we may require—

MS CHEYNE: Like future modelling?

Mr Cilliers: a traffic impact statement to factor in potential future yields on—

THE CHAIR: You said “within a reasonable degree”. It is not just a Belconnen question; we have exactly the same question in Woden. If you look at the traffic for a particular development, that is not going to be the straw that breaks the camel’s back, but all together they do give that impression. I think that that is community members’ question: how do you deal with the community impact rather than doing it bit by bit? The whole is larger than the sum of the parts here, it seems.

Mr Ponton: Dr Brady has been doing some work with our colleagues in Transport Canberra and City Services in relation to traffic. If it is okay, I will ask Dr Brady to give some more detail, pointing out that a more detailed answer may be with our colleagues from Transport Canberra and City Services.

Dr Brady: There are probably two things. Mr Cilliers is dealing with it case by case when the developments come in at the master planning stage; there were a lot of recommendations made—and that is part of the planning process that we go through—about potential upgrades that might be needed around pedestrians, cycling, intersections and those sorts of things. That is done in work with TCCS so that they can do their broad planning, budget bids and those sorts of things around the types of works that might be needed over time to support the change that is happening. That is one part of it. Then, as Mr Cilliers said, he is testing things as they come in that should have been considered as part of that master planning process and through the Territory Plan.

TCCS are doing some work at the moment on upgrading their overall modelling so that they can do projections further out. It might be more appropriate for them to talk to the detail, but they are looking at the overall modelling and how it all feeds in across the city so that you can do the finer grain modelling on a project-by-project basis but see how it fits within an overall model so that you can see the implications on a much broader perspective. It might be something that TCCS can provide a bit more detail on.

MRS KIKKERT: My question is in regard to the electric towers in Holt. The easement there is about 90 metres wide, I understand. From technical paper 1 I see that the proposed towers should be right smack in the middle of the 90-metre wide easement, but they are unfortunately placed about 20 metres away from people’s backyards. Why aren’t the towers built according to the guideline in the technical paper? Minister, when did you find out that the towers along the easement, 5A, 6A and 7A, were built 20 metres away from people’s backyards as opposed to building them in the middle of the easement, 45 metres away from people’s backyards? And did you share that information with the developers and with potential buyers of those blocks of land?

Mr Gentleman: TransGrid are the proponent in this case, building a second electricity supply for the ACT. My understanding is that these are 330-kilovolt powerlines. My understanding from ausnetservices.com.au is that the national requirement for easement for 330-kilovolt powerlines is 58 metres. In this sense, they

should have at least a 58-metre easement from the powerlines.

The work started back in 2014. The ACT government and TransGrid commenced consultation with the landholders and other relevant stakeholders at that time. The proponent was also required to undertake consultation as part of the environmental impact statement process. This is the proponent of the residential development into the future as well. In regard to those transition lines within the 90-metre easement, consultation was undertaken with the lessee, which was Woodhaven, which was the developer of the Gungahlin stage of the blocks. They were due to engage with purchasers of those blocks to advise of the possibility of these towers going forward.

MRS KIKKERT: Did the developer know that these electric towers would be built 20 metres away from people's backyards?

Mr Gentleman: I would have to take the detail of that on notice.

MRS KIKKERT: Were you aware that these towers were going to be constructed about 20 metres away from people's backyards?

Mr Gentleman: I was not the minister in 2014.

MRS KIKKERT: Last year, I understand, you used a call-in power to construct these towers.

Mr Gentleman: Yes, on the environmental impact statement.

MRS KIKKERT: You did approve the construction of the recently built towers? They were built and finished recently.

Mr Gentleman: Yes, I think I did. Yes, I did. I called that in.

MRS KIKKERT: You used your ministerial power to call in the authority to build these structures 20 metres—

Mr Gentleman: To approve.

MRS KIKKERT: To approve it—build them 20 metres away from people's backyards?

Mr Gentleman: I would have to take that on notice to have a look at the actual detail. I cannot recall a 20-metre notice in my decision-making.

MRS KIKKERT: What did you believe at the time was the distance?

Mr Gentleman: That is what I said. I will have to take that on notice and have a look.

Mr Ponton: If I could just add, in relation to the developer who was selling the land, the easement is located on that company's land and they were engaged in the process in the lead-up to and, in fact, signed the development application form to allow lodgement of the application. They certainly were aware of what was being proposed

because we needed the lessee's consent for the application to be lodged.

MRS KIKKERT: You are saying that the developers understood that these constructions would be built 20 metres away from people's homes? Is that what you are saying?

Mr Ponton: I would be very surprised if they did not.

MRS KIKKERT: If they did not?

Mr Ponton: Given that they were involved for several years in discussion in relation to the design and location and signed the DA form to allow the application to be submitted.

MRS KIKKERT: Obviously they would have viewed the technical paper as well?

Mr Ponton: I would be surprised if they signed an application form for a development on their land without understanding what was proposed. Certainly it was provided to them.

MRS KIKKERT: The Transgrid fencing guidelines that I have here suggest that metal fences parallel to a transmission line outside the easement, within 10 metres of the easement, should be earthed once in line with each structure tower and once in the middle of each span. In addition, fences within 20 metres of the easement should be earthed once in line with each structure.

Minister, residents in Lionel Rose Street, Holt, have back fences that are metal and are clearly within 10 metres of the new easement. They did not know that there was going to be a construction behind their homes, within 20 metres of their backyard fence. Have you received any emails from residents about this issue and is this a violation of Transgrid's own guidelines about fences?

Mr Gentleman: Yes, I received correspondence from one resident, I understand by email, who raised concerns with me and I provided a response detailing the assessment and the consultation processes undertaken before the project.

MRS KIKKERT: We are just trying to establish this. The resident who has a metal fence in their backyard is obviously concerned that this should be earthed. What is the responsibility of the ACT government in that regard? Should the government have notified the property owners about their responsibility, considering that they knew about this structure that is 20 metres away from their homes?

Mr Ponton: I might just jump in and say that I suspect that that is a matter for the utilities technical regulator. In terms of the statutory office, that is an office that I hold. However, the team that would be able to deal with such a complaint or concern is within Access Canberra. We could certainly take that matter up directly with our colleagues in Access Canberra from the utilities technical regulation perspective.

MRS KIKKERT: That is good to know. I have just one more in this line of questions. Minister, in question time on 26 September you stated that there is no evidence that

the 330-kilovolt transmission line that has been built east of Ginninderra estate would drive down any house prices at all. But on page 129 of the project's environmental impact statement, the potential impact to property values is actually rated as medium. Minister, how do you explain your statement in light of what the EIS has stated?

Mr Gentleman: My statement was that I have not seen any evidence that the transmission lines would bring down property prices.

MRS KIKKERT: You made a statement in the Assembly without actually looking at the assessments on the properties?

Mr Gentleman: No, I made the statement based on the knowledge that I have from the assessment and my knowledge of the impacts of these sorts of structures across Canberra. I have not seen property prices come down in Holt.

MR COE: You approved the EIS?

Mr Gentleman: Yes, I did.

MR COE: Was not Mrs Kikkert just quoting from the EIS?

Mr Gentleman: She quoted an impact on property prices.

MRS KIKKERT: Yes, from the EIS.

Mr Gentleman: Whether or not there is a downgrade in property prices is a different matter.

MR COE: It might increase the value?

Mr Gentleman: No. My statement was that I have not seen an impact on those property prices.

MR COE: But you signed the EIS, did you not? You approved the EIS, which is this very document?

Mr Ponton: I think the minister is talking about the EIS anticipating what might occur, and the minister is looking retrospectively at it.

Mr Gentleman: Correct. I have not seen an impact on the property prices.

MR COE: Then how is it that at the beginning of this line of questioning you said that the requirement is 58 metres; yet you have approved structures less than 58 metres away. How do you reconcile that difference?

Mr Gentleman: I am yet to see evidence outside the 58 metres. I would have to have a look at that.

MR COE: But you doubt—

Mr Gentleman: My approval was that they would be within the national guidelines and authority for transmission lines.

MR COE: And if it is not? If that was your assumption for making all these decisions, what happens if they are not?

Mr Gentleman: That was the advice to me, that they would be within, of course, the guidelines. If they were outside those guidelines I would have to check.

MR COE: But then what happens if they are?

MR PARTON: That is a good question, is it not?

Mr Gentleman: It is a good question. It is a hypothetical question. We will have a look at it.

Mr Ponton: That would be a matter for the utilities technical regulation team to examine if something has been built not in accordance with the requirements.

MR COE: But surely if has been signed off by the minister, signed off by the directorate—

Mr Ponton: Correct.

MR COE: How could it possibly be the fault of Transgrid or of the developer if—

Mr Ponton: We are making assumptions, are we not, without having the information before us? I think what the minister—

MR COE: We have the information before us—

Mr Ponton: But what—

MR COE: Because of the EIS, which you agreed to.

Mr Ponton: Sorry, I did not hear you. You are quoting the national standards, are you? I thought you were talking about—

MRS KIKKERT: No, it is from the EIS.

Mr Ponton: I am going to be referring to the DA documentation, which comes after.

MRS KIKKERT: It is on page 129.

Mr Ponton: I would like to go and look at the documents that were provided and what was actually approved, what conditions may have been included. We are speculating without information before us. The minister has already given the undertaking that we will provide that information. And then we can provide answers with the benefit of the actual information before us.

MR COE: Can I please make a suggestion to the committee that, given that there is soon to be a lunch break and the minister is coming back later this afternoon, it might be a good opportunity for the minister to use this break to get clarification on what is included in the EIS, what he actually signed off on and then he could give an update to the committee as to where they are at.

Mr Gentleman: If the opportunity is there for us to gather that information in the time line, we are happy to come back.

MR COE: With regard to the affordable housing targets, why did the government fall short of providing affordable dwellings in 2018-19?

Dr Brady: My understanding is that it was because of the release time; some of the properties were not released within the time frame we had thought. One of the ongoing things we have with the indicative land release program is tracking the timing of when the land is ready for release, whether we are meeting the targets, and if we are not meeting them how we will catch up to meet them.

MR COE: So you fell short by 139 in 2018-19. Will you make all that up this financial year?

Dr Brady: We would be trying to meet that target.

MR COE: If not and it rolls out for another year, you are in effect not providing the affordable housing targets included in the indicative land release program.

Dr Brady: Our intention is to meet the targets.

MR COE: Will each year be looked at discretely or you are going to make an assessment based on the need of the community? There was a need last time to provide 592 dwellings, 139 of which were not provided. That is 25 per cent. Surely that need still exists?

Dr Brady: It exists, yes. Our intention is to constantly monitor the need and what we can appropriately release and what the SLA can also release.

MR COE: Minister, the affordable housing threshold tiers are \$330,000, \$381,000 and \$434,000. Blocks in Taylor are being sold to builders for affordable housing at a median of \$355,000. If the land is being sold at \$355,000, how can even a single block be delivered within those affordable housing thresholds?

Mr Gentleman: I would have to take that on notice. It is a question for the minister responsible for the SLA. I understand she is coming this afternoon.

MR COE: But this is a threshold issue for the government. You have affordable housing targets. You are selling land at a median price of \$355,000. So for the bottom tier somehow you have to sell a house and land for \$20,000 less than the land; for the second tier you have \$26,000 to build a house; and at the top tier you have at most \$80,000 to build a house. How does this stack up?

Mr Gentleman: As I said, the SLA is in this area so we will take that question on notice. We will give them the questions you have asked and they will be able to respond to you.

MR COE: Are the affordable housing targets in the indicative land release program part of your portfolio?

Mr Gentleman: The indicative land release program is, yes.

MR COE: And are the affordable housing targets part of your portfolio?

Dr Brady: They are in that they are part of the indicative land release program. The housing policy that informs that is part of one of the divisions that I have.

MR COE: So your concern is simply just to say that you have affordable housing targets where (a), the land is not being delivered and (b), where the land is being delivered it cannot possibly deliver affordable housing.

Dr Brady: With respect to the comparison—I will let the minister answer if he likes—we have been doing that analysis ourselves. It may be more appropriate for Minister Berry to respond, but we are looking at whether if the market is providing a certain product in a certain threshold then perhaps we need to look at what other mechanisms we have available to ensure that we can meet the needs of people who need affordable housing if they cannot get into the market at that level. We are aware of some of those pricing issues and how the affordable product and the affordable housing mechanisms through sale and rent we are using can still meet the need.

MR COE: Minister, how does this happen? How is it conceivable that the median price of a block of land for affordable housing is \$355,000? How are you not across this?

Mr Gentleman: I do not sell the blocks, Mr Coe. As I said, we will take the detail of the question on notice and the SLA will respond to you.

MR COE: Are you concerned about this?

Mr Gentleman: I have answered the question.

MR COE: You are not concerned about it?

Mr Gentleman: No, I have answered the question.

MR COE: Well, do you think that it is possible to deliver an affordable house—

Mr Gentleman: You are asking me for an opinion, Mr Coe—

MR COE: That is exactly what I am doing.

Mr Gentleman: I am not going to—

MR COE: I am asking for your opinion as the minister—

Mr Gentleman: I am not going to follow the line of questioning—

MR COE: because you are meant to be in control of the agency. I do not see any concern about your agency's inability to deliver affordable housing. I cannot believe that you would have an affordable housing target as part of your own indicative land release program and you have no awareness whatsoever about whether it is being delivered. Is that not a problem?

Mr Gentleman: It is a matter for the SLA, Mr Coe. We work with them in regard to identifying the targets and then they go forward—

MR COE: Do you think you are a bit negligent here?

Mr Ponton: If I could interject at this point, the directorate is large; we report to a number of ministers. The affordable housing targets and the number of dwellings are certainly within Minister Gentlemen's portfolio and responsibilities, but the housing policy is for the housing minister, Minister Berry, and the delivery of that is with the Suburban Land Agency.

Whilst I appreciate the line of questioning, what the land is being sold for is a matter for the Suburban Land Agency. I am sure that they will be more than happy to take those questions this afternoon.

MR COE: I appreciate your chiming in and protecting the minister. However, the minister should be answering some very straightforward questions about whether he thinks it is acceptable that your own strategy cannot possibly be adhered to.

Mr Gentleman: Mr Coe, firstly, I do not accept the premise of your question. Secondly, you are asking me for an opinion and I am not going to provide personal opinions.

MR COE: What premise do you not accept?

Mr Gentleman: We will take that on notice. The SLA will provide you with details this afternoon.

MR COE: You just said you do not accept the premise of the question. Is the premise the facts about the affordable housing or the premise that you are not delivering it?

Mr Gentleman: I do not think that there is any more I can answer on this topic, Mr Coe.

MR COE: Well, that is the problem.

Mr Gentleman: We have given you the answers we have in front of us. We will take the further question on notice and the SLA will provide you with the detail.

MR COE: What is your understanding, rather than that of your officials, of how the

affordable housing program is going relative to the indicative land release program?

Mr Gentleman: As I said, the delivery of the affordable housing program is a matter for the SLA, and they will provide the answers for you.

MR COE: Are you happy with how your land release program is going?

Mr Gentleman: I think I have provided you with the answers.

MR COE: It is negligent.

THE CHAIR: Thank you, Mr Coe. I guess we look forward to more of this this afternoon. Hopefully it will be more fruitful. I have a quick question, because we do not have a lot of time left. Earlier this year I moved a motion relating to apartments that are overheating in the summer. I was told that the EPSD was working on new rules to develop the design of apartments that are similar to those in New South Wales. However, that did not appear to be referenced in the annual report. Can you tell us how this work is proceeding, if it is proceeding?

Mr Ponton: It certainly is well underway. In fact, the apartment guidelines that you are referring to—the New South Wales reference is SEPP 65—we have done quite a bit of work in developing those guidelines and incorporating those provisions into a Territory Plan variation that we hope to be released soon for the Northbourne Avenue corridor, giving effect to the city and gateway work, as a way to start to trial these apartment guidelines. In terms of the status of that work, we are in the process of advising the minister. Hopefully, we will be in a position to make some more public statements soon.

THE CHAIR: This is a confusing answer. I guess there are two things that are confusing about it. We talked about housing choices earlier.

Mr Ponton: Yes.

THE CHAIR: You basically said that the only thing that was going forward with that was something I was unclear about—co-housing—and something about permeable services.

Mr Ponton: Yes.

THE CHAIR: But I would have regarded this residential design as being relevant to the housing choice progress—

Mr Ponton: It was not a recommendation of the housing choices works. Your question earlier was specifically in relation to housing choices—

THE CHAIR: It was, yes.

Mr Ponton: The planning authority does a whole lot of other planning work that will assist with housing but is not specifically work that has come out of the housing choice workshop—

THE CHAIR: Okay.

Mr Ponton: and work. To answer your question, we have developed apartment guidelines based on SEPP 65. Those guidelines we are hoping to be able to brief the minister on and provide advice on very soon. The first time that you will see those incorporated into a variation will be for the Territory Plan variation that gives effect to the city and gateway strategy.

THE CHAIR: The other bleedingly obvious question—it follows on from Mr Coe's question—is why we are only concerned about higher quality apartments in that area. There are a lot of apartments being built in all of Canberra. Why doesn't everyone else get the benefit, assuming that there is going to be benefit, of new guidelines? Why only in the CRA?

Mr Ponton: And they may well do, but what we have done—

THE CHAIR: But you just told me that the—

Mr Ponton: So—

THE CHAIR: Territory Plan variation—

Mr Ponton: if I could—

THE CHAIR: is only from the city to the gateway—

Mr Ponton: That is the—

THE CHAIR: so they will not.

Mr Ponton: Because that is the first variation. So we first will need the minister and the government to agree to the guidelines. But what we are doing concurrently is that there is a variation on foot, immediately, that can give effect to this work. It does not mean that then there will not be further work to incorporate these into other parts of the city. We are also looking at how we can then ask the design review panel to consider—I think the design review panel is required to—we are in the process of—

Dr Brady: In the process of seeking.

Mr Ponton: Yes, so part of the work that we are doing will then have these considered by the design review panel and it will give its advice on all those matters across the city that it needs to consider. Again, there are various aspects to the work, Ms Le Couteur. The guidelines are being prepared; we are giving statutory effect to those through a variation that is on foot immediately; and we are also concurrently looking at other ways we can make sure that other developments have to comply.

THE CHAIR: The design review panel is only in place for five stories and above. There is a lot of development that overheats below five stories.

Mr Ponton: And again, in terms of the SEPP 65 development guidelines, there are criteria for which they apply. Now, if you are wanting us to apply the SEPP 65 guidelines, that is, not for three and four-unit apartments—or five units, six units—there is also a threshold there. So it is for larger developments. We have taken the SEPP 65 apartment guidelines and are applying those to the ACT context.

THE CHAIR: We have run out of time. I have one very quick question that just needs a yes and no answer. You talked about the Territory Plan variation being for 30 per cent permeable surfaces. The living infrastructure also had canopy targets. I assume that the canopy targets are not going to be part of this proposed Territory Plan variation.

Mr Ponton: A subsequent variation, yes. So it is on the work program.

THE CHAIR: Great. Thank you all very much. It is now time to go to lunch. There have been a number of questions taken on notice. If the responses came in within five business days, it would make the committee office very happy. Supplementary answers to questions on notice are also due five days after question is received. I think we look forward to seeing a number of you this afternoon.

The committee suspended 12.46 to 3:46pm.

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 Sport and Recreation, and Minister for Women

Environment, Planning and Sustainable Development Directorate
Rutledge, Mr Geoffrey, Deputy Director-General, Sustainability and the Built Environment
Fitzgerald, Mr Bruce, Executive Group Manager, Urban Renewal

Suburban Land Agency
Dietz, Mr John, Chief Executive Officer
Bulless, Mr Neil, Deputy Chief Executive Officer
Gordon, Mr Tom, Executive Director, Development Delivery
Holt, Mr Nicholas, Executive Director, Built Form and Divestment
Lee, Mr Joseph, Chief Financial Officer

THE CHAIR: Good afternoon and welcome back to this hearing on annual and financial reports by the Standing Committee on Planning and Urban Renewal. Before we resume questioning, I remind members that questions on notice and supplementary questions should be lodged with the committee support office within five business days of the uncorrected proof transcript becoming available. Responses to questions taken on notice should be submitted to the committee office within five business days of the uncorrected proof transcript becoming available. Responses to supplementary questions on notice should be submitted to the committee office within five business days of the questions being received.

I do not think I need to say this, but I remind witnesses that proceedings are being recorded by Hansard for transcription purposes and webstreamed and broadcast live. I trust you have all read the pink privilege statement and that you are happy to abide by it.

Ms Berry: Yes.

THE CHAIR: Great. Welcome, Minister Berry. Do you have an opening statement?

Ms Berry: No, I do not.

THE CHAIR: In that case we will start. I understand that we are going to do both the SLA and public housing renewal together. Is that okay by you?

Ms Berry: I think it is, yes. That is fine.

THE CHAIR: We could do it in another order if it suited.

Ms Berry: No, it is okay. It is just that if you switch between them there might be some movement at the table.

THE CHAIR: I have one public housing question. Are there many other public housing questions?

MR PETTERSSON: I have questions on both.

THE CHAIR: Let us start on housing renewal. My question is fairly simple. How many houses still have not yet been occupied? I ask this specifically on behalf of a constituent in Chapman who, you will be very pleased to know, thinks the houses look great. She had been very vocal in her opposition. However, she says they look great but that they do not have any people. How many others have not had people move in?

Ms Berry: I think that Chapman is being allocated as we speak, but we can probably provide a little detail on that particular one and whether there are others that are waiting for that process, the matching of tenants with appropriate places that they want to have as their homes for their lives.

Mr Rutledge: Thank you, Ms Le Couteur, for the question. When it goes to tenancy matters, it is probably really a matter for Housing ACT, which will be appearing before the committee tomorrow. The Chapman ones are finished, as you said. We are nearly at the end of the program. Of the 1,288 that were due to be delivered, we have only 10 left under construction. But as the minister said, once they are built—Chapman is a good example—I think they become a bit of a fishbowl environment for the local community. So it makes it very hard—Housing ACT can talk to this further—to get the right tenant. Everyone knows when the first tenant goes in. But I think we are seeing them being tenanted. Minister, you were out at Mawson Friday before last.

Ms Berry: Yes.

Mr Rutledge: What we have seen is that once Housing ACT gets the right tenants for the right place, they are welcomed by the community. So it is about getting that mix right.

Ms Berry: Ms Le Couteur, if you are here for the public housing—

THE CHAIR: I will be here for public housing, yes.

Ms Berry: remind us about it and we will have some more information available for you on time frames around some of these dwellings and matching up. I think that has been the important part. It is about making sure that we have the right match of tenant to dwelling and the place where they want to live.

MR PARTON: I have a supplementary question on of that. When you look at what I will call the heat map of public housing renewal developments on page 72, unless you were Minister Gentleman you would suggest that the developments are all in outer suburbs. It is the first time I have actually seen it displayed on a map. I guess I want to get back to some of those questions that have sort of been covered, but I am not sure that they have, in terms of whether connections to services and social connections

were really given enough consideration when it came to choosing these sites.

Mr Rutledge: Mr Parton, what you see there—heat map is an interesting term—is where our new developments are. As you know, we also did it through expression of interest where we bought in older suburbs as well. Those are where the new developments are. I will go through them. From memory, in Woden we picked up nine; Weston Creek, 36; Tuggeranong, 173; and Belconnen, 94. In the inner suburbs there were probably a dozen there and in Gungahlin, 530. Those in the EOI process, which covered 300 dwellings, are not represented in that map. So the salt and pepper approach has been applied evenly. What we tried to do there for the purpose of the graphics is to show where we had new builds that we did ourselves.

MR PARTON: In regards to the salt and pepper approach that you have mentioned, Mr Rutledge, is there a ceiling limit, is there an upper limit that the directorate has in mind in regards to number of dwellings in new public housing developments? Have we arrived at a “that’s enough” in terms of salt and peppering?

Mr Fitzgerald: Each dwelling was looked at individually. We looked at how many surrounding public housing dwellings there may have been in a particular situation. In answer to your question, no, when we were working with Housing ACT there was not a fixed rate for the number of units. So the upper limit was 32 for some of our units in Taylor. But, yes, that was the maximum but we had a range of different styles and different types.

MR PARTON: There was not an actual maximum? I mean, that number as a maximum is certainly lower than historic numbers of housing developments. I know that we are straddling a few areas here but, minister, do you have a view on an upper limit there?

Ms Berry: That was one of the reasons, that that sort of high densification of public housing can create issues of social isolation when you have a lot of people with complex issues living together. We were moving from dwellings of 200 individuals to 20 to 30 being sort of the most. What I am hearing from the housing and homelessness sector is that that is probably about the limit you would want to get to with that higher density of people on lower incomes and with complex needs.

MR PETTERSSON: In a similar vein, can you detail the community engagement that the taskforce has gone through?

Ms Berry: Yes, there has been significant community engagement around this public housing renewal program, and that will continue with the new program. Mr Fitzgerald has been involved in a lot of that work.

Mr Fitzgerald: We did a number of different styles of forums. We had the smaller meetings and the one-on-one discussions. In a lot of situations, Chapman for example, we worked a lot with the surrounding residents about what the style would look like, taking into account that it is a bushfire-prone area and adopting some of those design elements and making sure that it fits into the suburb.

MR PETTERSSON: Explain to me how you consulted residents on the design

aspects? Did you show them designs?

Mr Fitzgerald: Yes, that is right. We had sample boards and all sorts of different inputs for the community to choose what they wanted to see in their neighbourhood.

MR PETTERSSON: Excellent.

Mr Rutledge: One example is the new builds in Stapylton Street in Holder where the community was concerned about loss of views. It is cut into the side of the hill and it is a very low-lying development. If you are using the open space above the development you would barely notice it was there. It is very sympathetic to the surrounds and is a great-looking development.

Mr Fitzgerald: With sites like Mawson the community came to us and suggested that they did not want effectively a thoroughfare from Mawson Drive through to Shackleton Circuit. So we took on board those comments and we have addressed those through the consultation process.

THE CHAIR: The Coombs Peninsula is on the land release program but, as I hope you are aware, this committee has recommended that the bulk of it be withdrawn. I have seen photos of someone—I assume the SLA—going ahead with ground investigation by trenching but there has not as yet been any government response to the committee. Why are you doing this before responding? Or is that what we should take as a response?

Ms Berry: I was expecting this question from you, Ms Le Couteur. The first part is that it is still on the land release program. The government has not responded yet to the committee inquiry and so the due diligence work is occurring on that site. Mr Gordon can provide you with information about what is happening on that site because the contract for that work has already been let.

Mr Gordon: As the minister rightly said, we have a contract out which we released prior to the committee's decision. In that we have a process of doing a fair degree of due diligence about any estate works we may do. We have met with EPSDD and the Conservation Council in regards to the works we are doing. It was seen that these would not be necessarily abortive works if a decision was made for an outcome other than urban development.

The works currently underway are really to do with the geology of the site. Some soil sampling has gone on. Some small trenches have been dug and the soil has been replaced.

MS LE COUTEUR: Have you had any discussions with EPSDD about the committee report and what response is likely?

Ms Berry: The government will respond to the report, and that is all the information I can provide to you until the government is ready to respond to it.

MS LE COUTEUR: In terms of how far along you are in preparing for land release, you are saying that you will keep going at the current speed and at some point a

decision will be made?

Ms Berry: The work will continue because the contract has been let already, and the government will respond to the report.

MR PARTON: The outlook at page 18 of the SLA report states that land sales slowed in SLA estates due in part to increasing competition from other estates. What other estates is that report referring to?

Ms Berry: Yes, and that is one of the reasons for land sales slowing but there are a whole lot of reasons. There are other estates and competition from other areas in the region, and I will ask Mr Dietz to provide some more detail on that.

Mr Dietz: The minister is correct; we work in a market where we really only have about 50 per cent market share. Some of that competition is coming from estates such as Denman Prospect within the ACT. There are other parts within the ACT with land for sale, but there are also estates across the border that are providing land in competition with the land we provide.

MR PARTON: Competitive in terms of what?

Mr Dietz: In terms of it is an option for people to buy and consider when they are looking to purchase land.

MR PARTON: You mentioned Denman Prospect and some other areas in the ACT. But is it your view that a number of ACT residents are choosing to purchase blocks over the border?

Mr Dietz: As I said, about 50 per cent of people are looking to purchase land from the Suburban Land Agency. We do not have publicly reported figures on what our competitors are exchanging.

MR PARTON: So when you say 50 per cent of the people in this market wish to purchase here, can you break that down further because I am not sure what you mean by that. It is 50 per cent of what pool?

Mr Dietz: Fifty per cent of the pool for available land which is required from demand essentially. So if demand is around 1,200 blocks of land in a year then we would suspect that about 600 of that would come from the Suburban Land Agency.

MR PARTON: So the other 600 would come from places like those you mentioned, Denman Prospect and also over the border. Are you in a position to detail how much of that would be from New South Wales?

Mr Bulless: There is no publicly available data for New South Wales so we do not have an equivalent data source to what we get for the ACT. Having said that, the issue is broader than single residential blocks. Most of the supply in the market at the moment is not single residential land; it is actually multi-unit and compact products. You can see around the place at the moment that there is a lot of activity, with people building apartments in all town centres and along Northbourne Avenue.

Most of the supply at the moment is actually in non-single residential product so we are competing for a very small pool of people who want to buy residential land. The competitors are, as you probably know, south Jerrabomberra and Googong as well as Denman Prospect. We also have the Ginninderry joint venture, and while we have a 60 per cent interest in that it also takes up some of that demand.

If you look across the market we are seeing two things: one is record levels of supply in greenfields land. We have around 540 blocks for sale at the moment. We think that the competition has somewhere between 200 and 250 blocks for sale. If you add the multi-unit product there is something in the order of 20,000 units either built, being built, in the planning process—that is going through the DA process—or in the hands of developers but yet to proceed down that planning pipeline. That is probably a record for the territory as well; there is a huge amount of supply for a fairly small number of people at the moment.

MR PARTON: Is it your belief that most of the housing options in terms of sales being offered over the border are on standalone blocks?

Mr Bulless: It is a combination. Googong is a mix of single residential and more compact blocks and some medium density product. South Jerrabomberra has only just started. The first single residential blocks have been released so it is hard to know what that will look like in five or ten years in terms of the diversity of housing product.

Having said that, it is very clear from the analysis in the market that people's preferences are changing. People want to live in areas with good amenity, transport, services and access to employment nodes. The reality is that we can grow only so far where those nodes are so you have to densify. The planning strategy articulates a 30 to 70 per cent mix of single residential greenfields to urban renewal or densification. It is quite clear that the product that will be offered in those renewal sites will have to be a denser product.

MR PARTON: That analysis is obviously being done at a fairly forensic level. Your indication is that people have shown a preference to purchase along transport corridors and closer. So why is 50 per cent of the market being sucked up by developments elsewhere? Why would people choose to purchase a property over the border? I am assuming most of them will be working here in the ACT.

Mr Bulless: The question is what is over the border. South Jerrabomberra is over the border but it is about 18 kilometres from the CBD of Canberra, so it is relatively close. The product they are offering, while it may appear to be slightly cheaper than some of our estates on a per square metre basis, is slightly more expensive because the blocks are smaller. So if you look at that as being over the border, that product will compete with our products.

Googong is a lower priced product generally, but it is also 25 kilometres from the CBD. The reality is that it is an urban suburb in a rural setting whereas our estates are sitting in the urban area of Canberra. For example, Throsby, Coombs and Wright are about 11 kilometres from the CBD. Taylor is 17 kilometres away and Whitlam will be about nine kilometres away when the first places go in there. So they are much closer

to the heart of Canberra than some of these other estates. Other estates in, say, Murrumbateman or Bungendore are 40 kilometres from the city. They are a long way away and they do not have the service levels offered in central Canberra.

MR PETTERSSON: About halfway through your remarks, you said that there were record levels of supply in the ACT. What historical comparison would you make, to make that claim?

Mr Bulless: There is fairly good reporting of multi-unit developments in the marketplace. There has certainly been an upward trend in the amount of product that is being supplied, that is actively being built or has planning approval. Added to that is the supply in the market which is yet to have a planning approval made, so it is not under development. We do have access to those things, as does EPSDD. We know from our own supply that we are running reasonably high levels of supply in our inventory at the moment. Looking around at the other estates, there is a huge amount of supply that is yet to be released to the market. For example, they have not started works on Denman Prospect 2. There are around 1,100 dwellings in that development. There are other stages of Googong and south Jerrabomberra that are yet to come to the market.

The difference between us and the private sector is that we are required to deliver the ILRP annually. With respect to the behaviour of the private sector, typically, when the market slows, they will withdraw supply or not bring supply to the market as quickly. That is what all developers do in the private sector. We are not like the private sector.

MR PARTON: The private sector responds to the market, and you effectively drive the market.

Mr Bulless: No, we supply the market consistent with the ILRP. We have not pulled back supply because the market over the past 18 months has gone through a slower period.

Mr Dietz: To be quite specific, we are driving supply; the market will then choose the price. The market will determine the price based on their demand, but we are driving the supply.

Just to emphasise the point, Neil might want to refer to where we have over-the-counter stock available at the moment. In the time I have been here, and in the most recent history of LDA, I am not aware of them having such an amount of available stock in the market, with such great diversity across Canberra.

Mr Bulless: Our current inventory, which is about 540 dwellings, is split among Taylor, which has about 380, Throsby, which has around 82 or 83, Coombs, which has about 24, and Wright, which has about 59. Across Molonglo and Gungahlin, we have product available at the moment. Ginninderry have about 50 blocks for sale at the moment. From the territory's perspective or the territory's interest, we have about 600 blocks for sale at the moment.

MR COE: Is that not a reflection that the prices are perhaps too high?

Mr Bulless: No, Mr Coe; I do not think it is. We have looked at our supply and we have looked at our competitors' supply. An example would be Taylor, which is, as you probably well know, a mix of product. Some of it is quite hilly, so the blocks are a little larger, but the median price for Taylor at the moment, in terms of over-the-counter stock, is around \$415,000. The median block size is 567 square metres and the median price per square metre is \$735. If you compare that to south Jerrabomberra, the median price is \$372,000, the size is 457, and the per square metre rate is \$821. As a competitor roughly the same distance from the Canberra CBD, we are offering a larger block that is marginally more expensive but on a per square metre basis it is cheaper.

MR COE: Does that include the multi-unit size?

Mr Bulless: No, this is single residential.

MR COE: How long has it been since some of those Throsby ones were first passed in at auction?

Mr Bulless: Most of the Throsby ones sold at auction.

MR COE: With all the ones that are on the shelf, how many of them were passed in at auction?

Mr Bulless: We would have to take that on notice, Mr Coe, to get that detail.

MR COE: There would be some that would have been there for several years, wouldn't there?

Mr Bulless: Let me provide some context. All of our LDA stock sold in 2016. Builders bought some of that stock and returned it to the SLA last year, which we have returned to our inventory as over-the-counter supply. Yes, some of those blocks are probably two or three years old, a small number of them. We have also brought more supply to Throsby over the past year, including at least two or three releases, and further releases this year.

MR COE: With those blocks that are available over the counter, are they with the same reserve that they had when they were passed in at auction?

Mr Bulless: They were not passed in at auction; I just said that.

MR COE: Some of them were, though.

Mr Bulless: Very few of them were. We would have to do a full reconciliation to confirm which ones were passed in and whether they are still available, which we are happy to do. Having said that, with the reserve price set at the time, in February 2016, when we did our first releases, as the LDA did its first releases, all of those blocks sold well above the reserve.

MR PETTERSSON: Who sets the prices?

Mr Dietz: I can take you through the policy that we have there, because the policy also ensures that we are pricing land appropriately. Essentially, it is a requirement, via the act, that we get independent valuations to get market value. We have policies in place that ensure that we have at least two independent valuations when we are pricing a block of land. Based on that information, it is my delegation to actually set the reserve.

MR PETTERSSON: What efforts have been made to consult with the local Indigenous community in Canberra in regard to future developments, particularly in Ginninderry?

Ms Berry: There has been significant engagement with the local Aboriginal community and the region's first nations peoples to make sure that they are engaged in the conversations around Ginninderry. Ginninderry has always prided itself on being more than just a development, and actually being somewhere important and of significance to the Aboriginal people who were here before white people arrived. There is its environmental significance as well.

Last week Ginninderry launched the membership of its new environmental trust, which includes representatives of the local Aboriginal community and one of the adjacent Aboriginal nations, to make sure there is really good oversight by the Aboriginal community of some of the significant places, as part of that development, that can be protected and enjoyed by future generations. Wally Bell is one of the members, and I want to say Katie Williams. If that name is incorrect, I will get the detail. There has been significant consultation, and there will continue to be consultation and conversations with the Aboriginal community. They are directly involved in the development through the conservation management trust.

MR PETTERSSON: How are they involved in the conservation management trust?

Mr Gordon: They have representation on the trust that looks after the river corridor reserve, along the edge of the Murrumbidgee River. The development fronts that reserve. It is recognised that there are specific environmental values that need to be preserved in the reserve. To do that across not only the ACT land but into New South Wales, it was deemed appropriate to set up a trust that looks at the thing holistically, rather than looking at a state-based separation of what is a contiguous environmental area. The trust was set up. It has representation from the community, environmental groups and Indigenous communities; there is also representation from within government.

MR PETTERSSON: That is for Ginninderry; are there policies in place to ensure that there is consultation with local Indigenous groups for other potential developments?

Ms Berry: There are. It is in the early parts of the planning for a new estate. SLA engages with them as the estate evolves. But it is more in the planning space, regarding that early consultation. Ginninderry have made a special effort to ensure, through their conservation management trust, that they have members of the local community on their board.

Mr Dietz: That is correct, minister. Beyond the planning stage, complementarily within our own area, we ensure that we are working with local Indigenous people on welcome to country or smoking ceremonies when we start works, and when we open up the land for sale. When we are looking to market particular blocks of land, we will communicate with the local Indigenous people and see whether there are ways that we can work with them to better present our land.

Ms Berry: In recognising the local Aboriginal community and the contributions they have made to the life of this city and this region, I note the recent naming of the park at Coombes, the Aunt Judy Harris Park. The local community all came along to be a part of that naming ceremony. Aunt Judy played a very important role in our community more generally, but particularly within the Aboriginal community. There was great acknowledgement of her work through the naming of that park after her.

MR COE: I would like to go to some questions about Ginninderry. Firstly, can the joint venture agreement be published?

Ms Berry: Yes. I would have to just check, given that it is a joint venture and there are other parties to it and there is likely to be some confidential information in that. Can I just check with the other parties who are part of that joint venture about release of that document?

MR COE: I am pretty much looking for the deed agreement for the joint venture which specifies the ratio of 60 to 40 and how decisions are to be made et cetera. If you can take that, as much as it can be published, that would be a good start.

Ms Berry: I will take some advice on that.

MR COE: Of course, whole document would be good.

Ms Berry: Sure. I will take some advice on what can be released and also obviously consult with the joint venture partner on that as well.

MR COE: How does the ACT government exercise your intentions in that joint venture?

Mr Gordon: The joint venture is set up very similarly to joint ventures that the LDA had set up before, like Crace and Forde. You have a commercial party that wants to enter into an agreement to develop land. It has representation on a committee or a board. That representation is taken from either party. And in the case of the joint venture there is a five-member group that sits on the board: two representatives from the territory, two representatives from Riverview and an independent chairman who is appointed by the territory. They control the management of the project. Underneath them, the JV appoints a development manager who undertakes the day-to-day delivery of the project.

MR COE: With that development manager or the project manager, how was that person or company engaged?

Mr Gordon: Like the other joint ventures that we enter into, the entity that we enter

into the joint venture agreement with typically comes with the expertise to undertake such a development. In Crace we had CIC. And at Forde we had Delfin Lend Lease. In this instance Riverview are very experienced at doing developments in New South Wales. They were able to bring the expertise and the opportunity for the joint venture to come into place.

MR COE: What other projects have they done in New South Wales?

Mr Gordon: I have not got them on the list of things but they have developed commercial developments in New South Wales. They are experienced builders.

MR COE: Have they done land development before?

Mr Gordon: Not necessarily at this scale but they would have done some form of land development, yes.

MR COE: If you could let me know, that would be good. Is part of the joint venture agreement that Riverview will be the project manager or was that actually a decision of the board afterwards?

Mr Gordon: No, the joint venture agreement sets out initially that that is the case, that Riverview are the development manager.

MR COE: And who decides the schedule of rates and—

Mr Gordon: That is set out as well in the original agreement. It has sub-agreements about how the sub-manager will operate. And those schedules of rates are built into that.

MR COE: With regard to equity contributions, who decides when taxpayer money is to be put into the joint venture?

Ms Berry: The joint venture is a partnership, as you will know, between the ACT government and Riverview. It is a 60-40 partnership. I understand that you have asked for some information and I will check and get some advice about what I can provide and will provide that for your information.

I understand that in the early stages, prior to the joint venture being agreed to by the government with Riverview, you had been and visited the site. An important part of that work with Riverview is making sure that members of the community more broadly, but also in this place, have had the chance to visit the site and understand the joint venture and the partnership with the government.

With regard to capital contributions that the government makes to the Ginninderry joint venture, that is what it is, a capital contribution. It is a payment requiring approval by the Suburban Land Agency, which is consistent, as Mr Gordon referred to, with the joint venture agreement. That payment is an equity contribution that is made by the SLA to the joint venture as per the agreement. And I can get Mr Lee to just break that down a little more into hopefully more easily understood language.

Mr Lee: Further to the minister's response, equity contributions are all approved by the SLA board. In addition to that, there is a second stage of verification where all payments made against those contributions are reviewed by the Suburban Land Agency and approval to incur that expenditure against those funds is made by an appropriate financial delegate within our existing financial delegation.

MR COE: What about loans to the joint venture? What loans have occurred?

Mr Lee: There are no loans on the books of the joint venture currently. Previously, in the 2017-18 financial year, the period before the period in question, funding had been provided in line with the joint venture agreement as a debt instrument. Currently, and as at the end of that 2017-18 period, the funding is provided by way of equity. So there is no loan currently on the books.

MR COE: Is there anything that is interest bearing?

Mr Lee: Yes, the equity contributions earn the territory a commercial return.

MR COE: Is that interest or is that profit?

Mr Lee: No, it is a commercial return on the funds invested—the capital that is provided as working capital to the project.

THE CHAIR: I do not understand. Can you maybe explain what you mean by a commercial return?

Mr Lee: Sure.

Ms Berry: It is different. This is different, this joint venture. Of course I understand there are lots of questions about it. This accounting treatment around this contribution of an equity contribution was developed in consultation with the ACT audit office to ensure that it met all the requirements under the Financial Management Act. It is about making sure that the joint venture has the money that it needs to deliver the first parts of the project. Once there are houses sold at the project, the equity contribution is paid back at a commercial rate.

THE CHAIR: At a commercial rate of what? Sorry, but that is the bit that we do not quite understand what you mean.

Mr Lee: The rate is the bank bill swap rate plus three per cent.

THE CHAIR: You basically pay interest?

Mr Lee: It is, yes, but it is on a capital injection.

THE CHAIR: Which was Mr Coe's question.

MR COE: Is that the same for the other joint venture partner?

Ms Berry: Sorry, which other joint partner?

MR COE: Riverview.

Ms Berry: As part of the joint venture between the ACT government and Riverview, what the government brings to the arrangement with this partnership is the equity contribution. That will be paid back once houses are sold at the site. Riverview's contribution to the joint venture, if I can explain it in this way, is that they have brought land to the agreement. Riverview have the land and the government is providing the equity contribution to get the project delivered.

MR COE: But now the government have the land, don't they? Who owns the land on the ACT site now?

Mr Gordon: The government owns the ACT land and Riverview owns the New South Wales land.

MR COE: ACT owns 100 per cent of the land in the developable area in the ACT? Is that correct?

Mr Gordon: Yes, that is right.

MR COE: How much of that land did Riverview own?

Ms Berry: There is a map. We can come back to you with the detail.

MR COE: Are we talking about 90 per cent?

Mr Gordon: No. They would have owned roughly two-thirds of it, but I would not know the exact number.

MR COE: Now that the land has been sold to the ACT government, what do they bring to the joint venture?

Mr Gordon: The joint venture is paying the interest. In that sense, the territory and Riverview jointly are involved in the project in a financial sense. In the same way as you would be borrowing money externally, the territory and Riverview will be paying interest on any loan moneys. It is exactly the same method. Riverview, in the same way as they would in any other commercial arrangement, is paying interest, as well as the territory, within the joint venture. The territory is getting that on its equity contribution.

MR COE: In the ACT portion, how much profit will the ACT government make?

Mr Gordon: It is not an exact number; the project goes for 35 years, so the number will change. I have not got the latest number. Mr Lee might have the latest one.

Mr Lee: We do have some rough numbers. If we are talking profit on the ACT land, looking at the overall project, over the life of the project, it is \$166 million. That is rough, because it is an early split between the ACT and New South Wales lands. The forecast has moved on since we did that first look.

MR COE: How much did you sell Denman for?

Ms Berry: We will take it on notice; we might be able to give it to you before the end of today.

MR COE: With the land on the other side of the border in New South Wales that is owned by the other joint venture partner, what happens if that does not get rezoned?

Mr Gordon: Ultimately, there is a period of time for that rezoning to occur. The rezoning at this point has progressed significantly through the New South Wales process. It is now with the New South Wales state government to do their final deliberation on it.

That said, if it does not proceed, after a period of time the land will revert back to the territory. The territory will essentially get the land for \$1. That land enables a huge amount of development within the ACT. Without that land, the territory could not extend its residential development to the border. With the land, we can extend it to the border. It is a significant contribution to the overall development of land in the ACT.

Ms Berry: The reason for that, which might not be clear to the committee, is that with the developable land between the ACT and the border, there needs to be a buffer. Under the national capital planning act, there needs to be a buffer with the joint venture partner's land on the New South Wales side of the border. It gave the opportunity for more land in the ACT to be developable than would have been available had the joint venture partner not had the land on the other side of the border, because of the national capital planning regulations.

MR COE: What risk does the joint venture partner take on?

Mr Lee: Risk in?

MR COE: Any risk.

Mr Lee: It takes 40 per cent of all of the risk. It is a 40 per cent participant in a joint venture which has myriad risks.

MR COE: But they do not own the land. They have already been paid for the land and they get paid management fees. So what is the risk?

Mr Gordon: They own land in New South Wales—

MR COE: I am talking about the ACT component in particular.

Ms Berry: They lose all the land.

MR COE: But they have already sold the land.

Mr Gordon: Yes, but the territory land is ours.

MR COE: That is right. Therefore I am asking specifically what risk—

Mr Gordon: They are at a financial risk for their involvement in the project to the limit that their interest is, which is 40 per cent.

Ms Berry: They have not been paid for the land.

MR COE: Yes, they have.

Mr Gordon: Not the New South Wales land.

MR COE: No, but they have for the ACT land. They have been paid already for the ACT land. They got paid years ago.

Mr Gordon: Yes.

MR COE: I am very curious as to what, if any, risk they take on. They are getting paid for everything, paid for all time. Does the SLA provide any staff to the joint venture?

Mr Gordon: Not the joint venture. Internally we have staff who monitor the project.

Ms Berry: The SLA is represented on the board of the joint venture.

MR COE: Yes, I understand that.

Ms Berry: Good.

MR COE: Does the ACT government invoice the joint venture for anything?

Ms Berry: The joint venture pays the government when it starts selling properties.

Mr Gordon: The land, yes.

MR COE: Yes, but I am talking about any forms of management or expenses. Does the ACT government—

Mr Gordon: Within the joint venture, the joint venture manager will invoice the joint venture as a body. Then it is paid through that mechanism. The payment of monies into the joint venture account is directed by the SLA. We have a project business plan that demonstrates what the project should be doing over the course of the 35 years. We look at updating that every six months. So we have got a very good understanding of the immediate cash flow requirements of the joint venture. Where there is additional equity money for capital works, the SLA board will consider that. They will allow money to go into that account. That account is for payment of all joint venture costs.

Ms Berry: That account is within the SLA. The equity contributions are held by the SLA, not by Riverview.

Mr Gordon: It is held by the joint venture but it is controlled by the SLA.

Ms Berry: The SLA, yes.

MR COE: But those equity distributions are exactly the same for both according to the original investment, the 60-40 split. I am curious that one side of the joint venture can invoice for time and effort but the ACT government side cannot—

Mr Gordon: But it is not dissimilar to any other project. When you go to a project manager to undertake your project, the industry standards are that probably around seven to 10 per cent of your costs go towards a project manager to run the project for you. In this instance, we have a project manager that undertakes that. So they are dedicated to the joint venture. The SLA is not in there as a management entity doing the day-to-day management of the joint venture.

MR COE: Even though that is what you were established to do?

Mr Gordon: No.

MR COE: But it is a joint venture.

Mr Gordon: So like the joint venture for Crace—

MR PARTON: It does not sound like joint venture to me.

Mr Gordon: With the joint venture for Crace, for instance, we used CIC. So CIC provide the development manager services within the development. The same occurred in the Forde development—a similar structure; no different. It is a development manager service. So there are many joint ventures that occur within government around Australia that are very similar and commercially occur like that. A development manager's service is generally paid for by the project.

MR COE: What was the equity that CIC or Peet had in Crace?

Mr Gordon: In those instances they did not provide any land at all. So they made a cash payment for half the deemed land value in that instance—

MR COE: Yes.

Mr Gordon: So in that instance they had a 50 per cent share of the project.

MR PARTON: Because they paid for it.

Mr Gordon: Yes, but they did not bring any land to it. So in this instance we are talking about there being a recognition of the underlying land value in both instances.

THE CHAIR: Do you have any new questions on this, Mr Coe—

MR COE: Yes.

THE CHAIR: otherwise we are going around in circles, I fear.

MR COE: Yes. I do.

Mr Lee: Mr Coe, excuse me, I have an answer to your question in relation to Denman Prospect when you are ready.

MR COE: Sure.

Mr Lee: Stage 1 was sold for \$241 million and stage 2 was sold for \$136 million.

MR COE: Do you know how many blocks—

Mr Lee: We have dwelling numbers. Stage 1 was approximately 1,000 single residential dwellings—

MR COE: Yes.

Mr Lee: and 1,500 multi-unit dwellings. Stage 2 was 1,210 dwellings.

MR COE: How many dwellings will there be in the ACT component of Riverview?

Mr Gordon: Approximately 5,500.

MR COE: So 5,500 dwellings with a yield of \$160 million for the ACT. Meanwhile Denman—that is over decades—

Mr Gordon: You are talking profit as opposed to the cost of the land. Also, Denman Prospect was a fully developed parcel of land. The Territory Plan was approved, all the infrastructure was put in place. The joint venture includes all the capital infrastructure necessary for that development—

MR COE: What infrastructure did the capital estate group have to put into Denman?

Mr Gordon: All the trunk infrastructure is provided typically in those joint venture arrangements. You would have seen, for instance, John Gorton Drive—

MR COE: Yes.

Mr Gordon: It existed right up to the doorstep of it. The trunk sewerage—

MR COE: But all the internal roads are being done by—

Mr Gordon: Of that, of the single residential, the LDA actually built 400 of those parcels as part of that sale.

MR COE: Right.

THE CHAIR: I think we have had quite a lot of time on this. I think we should—

MR COE: Can I ask one final question? It is similar to what I asked earlier. What incentive is there for the ACT to have the New South Wales land rezoned? How much money will the ACT gain by the New South Wales land being rezoned so that the ACT part that requires New South Wales access can be done?

Mr Gordon: I am not quite clear on that question.

MR COE: If New South Wales land gets rezoned, how much additional ACT land can be developed?

Ms Berry: Yes, we will get that with the—

Mr Gordon: Irrespective of whether or not it gets rezoned, the territory can develop all the way up to the border now.

MR COE: In which case, then, what is the incentive—

Mr Gordon: But without—

MR COE: for the ACT—

Mr Gordon: That was part of the agreement, that that land was then always secured for that purpose.

MR COE: I know, but what is the incentive for the ACT to have that New South Wales land rezoned?

Mr Gordon: We had a 60 per cent shareholding in that business.

MR COE: So all the way until it gets developed in New South Wales—

Mr Gordon: Yes.

MR COE: we will get—

Mr Gordon: The territory gets a return on it, yes.

MR COE: of 60 per cent.

Mr Gordon: Yes.

MR COE: Okay.

Mr Gordon: The joint venture is the whole, New South Wales and the ACT.

THE CHAIR: I want to ask about solar orientation of lots in SLA estates. Page 58 of your annual report states that you consider the orientation of blocks and street layouts to optimise solar access to homes in the design of new developments. My office was fortunate enough to have a couple of university interns so we have been able to review the orientation of blocks in Taylor. Around 65 per cent of these are orientated

north-south, which I understand is the wrong way around. I am told it is almost impossible to build a passive solar house on most of them. Why is it so?

Mr Gordon: The planning code for residential development has essentially a pinwheel in which you can align blocks. Fundamentally a north-south block of a certain size is acceptable and an east-west block is acceptable and then varying ranges from the cardinal points. That is how it is determined; it is an accepted block shape to be in that orientation or not.

That plays on top of the topography of the ground. In Taylor the ground is quite hilly in parts and essentially south-facing in terms of its slope, so the orientation is somewhat limited. The blocks would necessarily tend to be larger blocks, but where there are smaller blocks they will tend to be north-south. Not every block has to be east-west because if it was you would have a proliferation of north-south roads. With the topography in Taylor you could not undertake that, so there is a mix.

THE CHAIR: I appreciate that standard blocks are better oriented east-west and the smaller ones, the terrace blocks, north-south. But it has been suggested to me that the builders prefer the north-south blocks because they are not affected so much by the solar access rules. Is that a fair comment?

Mr Gordon: I would not have thought so. I would have thought that the builders are more affected by the commercial outcome. They will look at what they are able to build and proceed down that path.

THE CHAIR: Exactly, and the solar and the light rules constrain what they can build.

Mr Gordon: The larger blocks will naturally have greater setbacks from the boundaries. The smaller blocks, because they are north-south, are able to be orientated without such large setbacks to the site boundaries.

MR PARTON: I will go back to some questions we were asking Minister Gentleman earlier and he referred us to this area. The questions were around the so-called affordable blocks sold in Taylor. The affordable housing threshold tiers are \$330,000, \$380,000 and \$430,000 respectively, but those blocks were being sold to builders at market price for affordable housing when for the first half of 2018-19 the median price was \$355,000, which is more than the lowest affordable threshold. Minister, are you confident that every affordable block in Taylor will result in an affordable home being built? The maths do not seem to work for me.

Ms Berry: Mr Dietz can talk you through that. Of course I want every person in the ACT to be able to purchase a home within their means, and the government is always looking at ways to ensure that people get that chance.

Mr Dietz: Thank you for the question. There are a couple of things to note: firstly, product types lend themselves to different blocks of land. Specifically, for the detached houses in Taylor the blocks of land currently on sale are not the ones that have been identified as affordable housing. They are for housing which is generally available to the public, and the prices reflect that.

The current land which has been identified as affordable has been selected specifically by the SLA team working with EPSDD and acknowledges the affordable requirement on that land. We have gone out to tender through an expression of interest with the land that has been identified. We definitely see it as possible to build the affordable stock on there, but we also note that it will be challenging. We are going through a process of expressions of interest with the builders to work with them to find the best solution for those blocks.

MR PARTON: How is it mathematically possible to build affordable houses on those blocks if the median price is \$355,000?

Mr Dietz: If I take an example of the lots that have been identified as affordable housing, we say the top value is \$434,000 for a 105-square-metre block. At a build price of about \$1,800 per square metre that would reflect a build cost of about \$190,000. That leaves about \$230,000 for the block of land, which is relatively reflective of the land we have selected to be part of the affordable product. Therefore, yes, I am confident.

I also say the expression of interest is in its machinations at the moment. However, it was designed to work innovatively with industry to find solutions. I also note that we are working within government to finalise my ability to price land which is reflective of the affordable requirement. In response to your first question, I am confident that we can provide these blocks to support affordable housing in the future.

MR PARTON: On all of the blocks that are listed for this purpose?

Mr Dietz: I think it would be naive of me to give you a 100 per cent okay, but I think we have the appropriate mechanisms and processes in place to get there.

MR PARTON: Who finds the eligible buyers for the affordable dwellings?

Mr Dietz: I will pass over to Nick Holt for that, but essentially it is a process governed by the policy which identifies through the community those that are appropriate for the affordable needs. They are stored within a database and then we work through a process of building and allocating that to a block.

Mr Holt: At the moment the affordable housing database sits within EPSDD. It is in a process of being transferred across to the SLA to take the management of. The process of people getting on to that database is through marketing and promotion of the database in the first instance. People have an entry portal through the website. They are guided through the process of being added on to the database. That database is then a basis for which we would then find eligible purchasers to provide details to builders who are providing affordable housing products.

Mr Coe: So you are going to have valuations done for these blocks. Will they be full market valuations?

Mr Dietz: As I stated in my answer to Mr Parton, we are looking at finalising within government right now my ability to ensure that when we look at the highest best use market valuation of that block of land that it takes into account the affordability

requirements.

Mr Coe: So it may not be market price?

Mr Dietz: It may not be if the affordability requirements restrict the highest best use. It will be highest best use taking into account those affordability requirements.

Mr Coe: Are you legally allowed to do that?

Mr Dietz: That is exactly what we are confirming at the moment.

Mr Coe: Can you talk the committee through what the legal obstacles might be?

Ms Berry: No. The government has a policy around the provision of affordable homes in the ACT, and we are working through with the SLA about how those dwellings would be priced to meet the ACT government's affordable housing policy requirements.

Mr Coe: So does that mean potentially somehow devaluing them through the lease?

Ms Berry: We are going through a process. We will look at our policies and make the adjustments needed to ensure that affordable housing is available for people who need it, keeping in mind that a number of things have occurred over the past couple of years that have meant that it is more challenging for people to purchase affordable homes. Those things include the ability to get loans from banks, and wage reductions through reductions in penalty rates.

The government needs to consider a whole lot of outside factors when making sure that it has affordable housing available. We do not have control over those outside factors, unfortunately, but we are working with the SLA to ensure that we meet the government's policy requirements to provide affordable housing for those people who need it most.

MR COE: So what are the options to do this?

Ms Berry: We are working through that right now.

MR COE: I understand; that is why I am asking what are the options you are considering.

Ms Berry: We are working through that right now. Perhaps before the annual reports process is finished we might be able to provide a more detailed response.

THE CHAIR: That would be good. One of the things I would be interested in is how you ensure that if it is sold affordably it stays in the ownership of someone who needs the affordable product. This has been one of our issues.

Ms Berry: That is an important thing. On one hand, it is good that people are getting into a home purchase of their own and into the housing market at the start. But ensuring that it remains affordable is also an important part of the government's

policy and the work of the SLA.

Mr Dietz: I might call on Nick Holt again and ask him to perhaps take a step back to explain how we ensure that when we deliver the product, it is meeting the affordable requirements at time of delivery. I think that is probably a very important step prior to that.

Mr Holt: Yes. I can set some context about how we manage the delivery of some of the affordable products.

When the land is sold to a builder or a developer, they enter into a project delivery agreement with the Suburban Land Agency in which there is a requirement for certain blocks, if they are identified as affordable, to have to be sold at an affordable price point. The role of the SLA, and this is part of the transfer of the database, will be ensuring compliance with that, through the project delivery agreement that we enter into. That role includes checking the design of the building that they are proposing to sell to the eligible purchaser. We will be checking that for quality, whole-of-life costs and those sorts of things.

Through the project delivery agreement, we will help them. We have oversight of those plans. When the eligible purchaser actually enters into an agreement with the builder, we have oversight of the contract for sale that they enter into. Then we follow the build process through. Through the project delivery agreement, we also have an end point, at the very end of the project, where we can go in and inspect the building to make sure that all the inclusions that were part of the contract for sale have actually been installed and that the sale has gone through as per the contract for sale.

It is really a turnkey-type solution. We help them right from entering into the database at the very start. We help them select their preferences for what sort of location they want to be in and what sort of housing product they want to have. We will help them navigate the process of entering into a sale. These people have not purchased land before, so we are helping to navigate that process of purchasing land. Often getting finance to purchase a house is challenging for people at quite a low income threshold; we provide support to help them through that process. Once a contract for sale has been entered into, we provide guidance and support through the build process, all the way through to the end. So by the time the eligible purchaser actually moves into their home, we will have had a good oversight all the way through the process.

THE CHAIR: I am more concerned about what happens after they move into their home, in other words, ensuring that it continues to be affordable and owned by somebody in need.

MR PARTON: So they do not just sell it off and take the equity hit.

Mr Dietz: I might just complement the answer there. We have a couple of different types of options to ensure that that happens appropriately. One, which we have used at Ginninderry, was where we applied to the contract of sale that they cannot on-forward the house for a number of years.

THE CHAIR: How many years?

Mr Dietz: I think it was three.

Ms Berry: Three.

THE CHAIR: Not very long then.

Mr Dietz: Well, yes. There are positives and negatives from the approach. The positive, as you suggest, is that it keeps the affordable house in the ownership of the person who requires the affordability. However, in the market that we have just been through, where banks have been tightening their restrictive requirements, when they looked across conditions like that in the lease, in the sales contract, they were very questioning and made it very difficult to get those loans approved. So we need to be quite careful in the methods that we choose to get that outcome.

THE CHAIR: Are any of the affordable blocks likely to be designed, or are designed, to go to community housing providers for affordable rentals?

Mr Dietz: We are looking at that as an option as well. Within Nick Holt's group, it is actually a task that they have been given as part of our strategy. Some of the ones that we have got for possible ideas are perhaps more in the urban renewal space and Minister Stephen-Smith. But it is definitely an option that we foresee in the future.

MR COE: How many of these lots that have been identified as including affordable housing blocks are ready to be developed now?

Mr Holt: Are you talking about Taylor for this one? The Taylor sites are build-ready now. There are 137 affordable dwelling sites that went out as part of the Taylor expression of interest. They were offered as part of a broader package of 159 sites. Seventy-eight of those sites were offered as single-residential sites to builders and 59 were offered to community housing providers. There were 23 packages offered to the builders and each one of those packages included some affordable and some non-affordable products.

The purpose of taking them out of packages and including as affordable ones that do not have that affordable requirement on them is that we understand that the cost of building housing is not just around the price of land but the cost of building, the cost of holding land for builders, the cost of getting finance to purchase the land.

The expression of interest was really to go out to get builder partners to get their ideas about how they can also reduce the cost of building. And that is the holistic cost of building. It is not just the cost of land. It is also the financing cost; it is also the build cost. Packaging them up, there are opportunities to get efficiencies in construction. You can have a bigger build front happening. You can have a scale that enables the builders to reduce some of those costs, especially the overheads and preliminaries.

MR COE: Are those 78 all on the go?

Ms Berry: They are asking for some innovation—

MR COE: Have they all started, the 78?

Mr Holt: No. The blocks of land are build-ready.

MR COE: You said there were 78 that have been identified.

Mr Holt: Yes.

MR COE: Expressions of interest had gone out.

Mr Holt: Yes. If you want me to talk about where the process is for the Taylor EOI—

MR COE: Sure.

Mr Holt: The Taylor EOI closed in September. The expressions of interest are currently being evaluated. We do not have the outcomes of that process at the moment but we expect those outcomes to be announced in December this year. The second stage of the process is the request for tender. Once we have assessed all the options we will start the second stage in February next year with a view to having that completed by May 2020.

MR COE: But what is actually the expression of interest if you have not got valuations on those blocks? What are they actually expressing interest in?

Mr Holt: As part of the expression of interest we have said to them that the land will be done at market value. But what we are looking at is: what are the options that would help the builders to finance those developments? There is a range of things.

MR COE: Have you told them what the market value is?

Ms Berry: This is more about what kinds of innovations the builders can bring to the table. This is an opportunity for the sector to develop affordable homes that are quality homes, that meet the needs of people in our community that are seeking to purchase an affordable home. That is developed in a way that could include the actual product. It could include the profit margin that a builder or a developer might make or need to make on the development of a home.

I guess there are a whole lot of other things that we have asked the sector to have in consideration through this EOI process. And what we have been hearing so far from the development sector, from the building sector, is that they are wanting to look at how they could build homes in a way that brings innovation to the table and that provides a different but quality product for people in these affordable dwellings across the city.

I think that that is really important. That engaging with that sector about what is possible has been an important part of this EIO process.

MR COE: And in terms of what information has been supplied in that EIO, are you not asking builders to give up their IP? What are they—

Ms Berry: The what, sorry?

MR COE: Are you not asking builders to give up their IP?

Ms Berry: Their what?

THE CHAIR: Intellectual property.

Mr Holt: No. As part of the expression of interest we have provided a whole heap of options to trigger some thought around it. Some of the options that we have asked them to explore, what to consider, are to look at the impact of having extended settlement periods, what would be the effect of having put-and-call options on the land, does that help them. Some of the single-residential blocks are available for land rent. That can be offered to people. On the rent-to-buy, we have said, “How would a rent-to-buy scheme work for you as a developer? Is that something that you can develop a financial model on that works?” We have even offered to say, “What about a contract build where the SLA partners with you to build some of these products?”

We have put those ideas out there to get them to think, “Maybe business as usual is probably not the way to go with some of these products”, as Mr Dietz mentioned before. We understand that delivering affordable housing is challenging anyway but we have to work with the private sector and industry to actually come up with solutions that work particular to the environment that we are in.

THE CHAIR: It is now five o'clock. Thank you, Minister Berry and all the officials here this afternoon. We did have some questions taken on notice. The committee secretary will be in touch. Before we adjourn I remind members that questions on notice and supplementary questions should be lodged with the committee support office within five business days of the uncorrected proof transcript becoming available. Responses to questions taken on notice should be submitted to the committee office within five business days of the proof transcript becoming available. Responses again—it is five business days for everything. The hearing for today is adjourned. Thank you, all and sundry.

The committee adjourned at 5.01 pm.