



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON ENVIRONMENT, PLANNING,
TRANSPORT AND CITY SERVICES**

(Reference: [Inquiry into Annual and Financial Reports 2023–24](#))

Members:

MS J CLAY (Chair)
MS F CARRICK (Deputy Chair)
MS E LEE
MS C TOUGH

PROOF TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 10 FEBRUARY 2025

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Secretary to the committee:
Mr J Bunce (Ph: 620 50199)

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.

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APPEARANCES

Chief Minister, Treasury and Economic Development Directorate 1
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Amended 20 May 2013

The committee met at 11.30 am.

Appearances:

Berry, Ms Yvette, Deputy Chief Minister, Minister for Education and Early Childhood,
Minister for Homes and New Suburbs and Minister for Sport and Recreation

Chief Minister, Treasury and Economic Development Directorate

Pirie, Mr Mitch, Acting Deputy Under Treasurer, Economic, Revenue and
Insurance, and Acting Coordinator-General for Housing, Treasury

Suburban Land Agency

Davey, Mr Adam, Chief Executive Officer

Holt, Mr Nicholas, Executive Director, Thriving Communities Group

Lee, Mr Joey, Executive Director, Place Delivery

THE CHAIR: Good morning, and welcome to the public hearing of the Standing Committee on Environment, Planning, Transport and City Services for the inquiry into the annual and financial reports 2023-24. The committee will today hear from the Minister for Homes and New Suburbs.

The committee wishes to acknowledge the traditional custodians of the lands we are meeting on, the Ngunnawal people. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region. We would like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's forum or watching from somewhere else.

We are recording the proceedings today, and they will be published. The proceedings are also being broadcast and webstreamed. If you take a question on notice, please say, "I will take that question on notice." That helps our secretariat to track down the answers.

We welcome Ms Yvette Berry, the Minister for Homes and New Suburbs, and her officials. We have a lot of witnesses in this session, so I will not ask everybody to acknowledge the statement now. The first time you speak, please state that you have read, understand and agree to the privilege statement. I remind witnesses of those protections and obligations. Witnesses must tell the truth; giving false or misleading evidence will be treated as a serious matter and may be considered a contempt of the Assembly.

We are not inviting opening statements. We have a number of members eagerly awaiting asking their questions. Minister, I will jump in with the first question. Minister, we have seen ABS figures indicating DA approvals on new housing builds may have dropped by as much as half last year. The annual report shows that we had low activity all round in 2023-24. Building approval registrations were down, certificates of occupancy and use were down, and construction inspections and audits were down. Can you tell me how you are going to deliver the government's targets, given last year's low activity?

Ms Berry: The first part of that question, on development applications, is probably

more suited to be put to the minister for planning.

THE CHAIR: I will be asking him, too, Minister, but I would imagine that whether or not DAs are—

Ms Berry: If I could continue, yes, the Suburban Land Agency's job is to deliver land for housing in the ACT. The Suburban Land Agency is responsible for two per cent of homes in the ACT, so the ACT government's land agency is responsible for a much smaller amount than most people would think.

With the Indicative Land Release Program, "indicative" is an important explanation for a program of land that we intend and set a target to release. It is indicative, and it does come with some challenges at times, including delays or disputes with regard to development applications.

THE CHAIR: I am probably asking more about the housing policy, which I think is in your remit, and not specifically about what the SLA is delivering. Your housing policy delivers total targets for housing in Canberra. As we can see, total housing activity is quite low. Have you had to change your housing targets? Do you think you are on track, given what happened in 2023-24?

Ms Berry: I am not sure that I am not answering the question for you. I think you are asking about how the Suburban Land Agency will deliver on the Indicative Land Release Program, given the challenges that you have identified.

THE CHAIR: I am also asking whether you have had to make any changes to the government's total housing targets, which are not just those delivered by SLA; is that right? It is all of the housing. It is private development housing. The government sets how many houses we would like to have delivered each year, and by 2030. Have you had to change any of those targets, given what we delivered in 2023-24?

Ms Berry: It is always our aim to deliver on the full Indicative Land Release Program. In some years we might be behind on the delivery, and in other years we might catch up on the delivery. I will hand over to Mr Davey.

Mr Davey: I have read and understand the privilege statement. Following on from the minister's comments, SLA is continuing to work towards delivering against the Indicative Land Release Program. That is public, as you know, in terms of how we might go about meeting the increasing demand in housing. We are working very hard internally to streamline our own processes. Obviously, approval processes for things like major plan amendments or subdivision development applications go through the normal processes. SLA are doing what we can internally to ensure that we are focused on delivery.

THE CHAIR: Thank you, Mr Davey. That is probably enough from the SLA on this. Minister, it is probably more of a question for the housing coordinator-general or the area of housing strategy and policy than for the Suburban Land Agency. I will try once more to rephrase the question. In your capacity as being responsible for the housing coordinator-general and housing strategy and policy, given that we seem to have had half as many DAs and homes built in 2023-24 as we have in previous years, has this

affected the government's ability to deliver housing? Have you made any changes to your targets? Is there anything to see here?

Ms Berry: There is no change to the 30,000 properties that have been part of the Indicative Land Release Program. However, with the annual release of land, as Mr Davey has described, and as I have attempted to describe, it can be impacted by a range of issues. Those risks and challenges are unpacked and understood by the Suburban Land Agency, as the delivery arm of land supply in the ACT.

Overcoming some of those is quite challenging. Obviously, development applications can lead to delays. There are also other issues, which can include planning—which, as I said, might be a question to ask of the planning minister—heritage and environmental process outcomes, due diligence processes, community engagement and consultation, legal issues, commercial market influences, the weather, and international activity. There are a range of things that have to be overcome in the delivery of land for homes across the ACT, and that is considered in the delivery of the whole Indicative Land Release Program.

THE CHAIR: Are you expecting the 2024-25 figures to be restored to more normal levels, or have you downgraded? Are you expecting 2024-25 DAs and home building to be more like what we saw in 2023-24?

Mr Pirie: I have read and acknowledge the privilege statement. With regard to the housing market overall, I would comment on some of the factors that the minister has mentioned. We have seen construction costs escalate significantly over the last few years. That has occurred nationally and internationally, reflecting global economic forces. We have seen monetary policy, interest rate settings, tighten significantly in response to that.

To some extent, our view is that the downturn in the housing market at the moment reflects those broader macro-economic factors. The forecast that the government has in its latest budget review is for a pick-up in residential dwellings investment in 2025-26, which would start to see commencements picking up. That is our current forecast.

MR CAIN: Minister, what is the government doing to support our struggling builders and developers because of the delay in building approvals?

Ms Berry: You might want to consider asking questions on this in other areas, particularly around our skilled workforce, because that has been one of the challenges for construction.

MR CAIN: Because of delays in building approvals, not other factors.

Ms Berry: That is probably a question for the planning minister, I would suggest.

MR CAIN: You are not aware of any plans that the government has to help our builders and developers?

Ms Berry: Mr Cain, this team is here to deliver information to the committee on behalf of the Suburban Land Agency and Treasury, not planning or any issues to do with that.

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The question you have raised is a question for the minister for planning.

THE CHAIR: This is about housing policy as well, Minister.

MR CAIN: It is about housing delivery.

Ms Berry: Okay, we will take it on notice and, if it is for the minister for planning, he can provide the answer.

THE CHAIR: That is great; thank you. Ms Carrick?

MS CARRICK: Mr Pirie said that the increase in housing costs has impacted on the program. That is my question: has it impacted on the delivery of the public housing program, and has there been a decrease in the delivery of public housing because of the increase in costs of housing?

Ms Berry: Not in the public housing space, no. It has increased. The cost of construction has definitely increased. That is a factor for all housing, including public housing, but it has not impacted on the delivery of our program.

MS CARRICK: Why is that? If housing costs have increased significantly, why hasn't it impacted on the delivery of the program?

Ms Berry: This is probably a bit of a shared position with CSD, Housing and SLA, regarding the delivery of the housing program. For public housing, through the growth and renewal program, the cost of housing and the market value of housing have increased. That meant that, when Housing ACT were selling public housing, they were getting more than they had initially expected to get for the sale of a house in order to replace and build new and additional homes. It has put public housing builds in a really good position to be able to deliver on our promise through the growth and renewal program of an additional 400 homes, as well as replacing and renewing 1,000 properties.

With the market, it has been a challenge for the community, because it has increased, and interest rates are having an impact on that. With the public housing growth and renewal program and the delivery of public housing, it has not impacted in the way that perhaps it might have, if the housing market price had not been as escalated as it has been. Mr Pirie, do you want to add anything more on that?

Mr Pirie: No. I would just reiterate that the factors I was describing relate to the viability of the private sector housing market and new development there, as distinct from public housing and community housing.

MS CARRICK: How many houses are left to sell, to fund more?

Ms Berry: That is a question for CSD, I think.

MR RATTENBURY: Following on from Ms Clay's question, the government's target is to enable 30,000 homes to be built by 2030.

Ms Berry: Yes.

MR RATTENBURY: But they will not all come from the ILRP. The ILRP will not facilitate all of those 30,000, will it?

Ms Berry: Again, you are switching over into the planning space—the developers of the ILRP. SLA just delivers the land.

Mr Pirie: I think it is the case, and it has been with the ILRP, that it reflects not just SLA and the government's delivery; it reflects the broader market delivery.

MR RATTENBURY: I am trying to ask a question of the minister with responsibility for housing policy. The target is to deliver 30,000 homes. We know that the Indicative Land Release Program, which is the government's land, will only deliver some of those 30,000. Is that correct?

Ms Berry: Yes, I think so.

Mr Pirie: That is right.

MR RATTENBURY: Because some of the other 30,000 will come from private development. This is, I think, the question that Ms Clay was trying to ask.

Ms Berry: Okay. That makes much more sense, when you put it like that. As I have tried to describe, we are responsible for about two per cent. The rest is the private market.

MS CARRICK: I have a question for the SLA. It says here, "Suburban Land Agency, with the exception of those matters assigned to the Chief Minister." What matters are assigned to the Chief Minister, and who is responsible for planning and implementing the social and economic development of the town centres and group centres in the ACT?

Ms Berry: That is a bit of a mix of agencies as well. The Chief Minister is responsible for areas around the CRA—the inner city, as well as some of the bigger land delivery projects.

Mr Davey: Certainly, in the administrative arrangements that were published late last year, you can see there a list of projects on which the SLA reports directly to the Chief Minister. That includes things like the Kingston arts precinct, Canberra Brickworks, the railway precinct in Kingston, the Tuggeranong town centre and others. That, clearly, is what is in that list.

MS CARRICK: The Chief Minister, in 2016, said:

Cities don't succeed by accident or by leaving things to chance—they require design, good governance and great collaboration.

Who is doing that for the town centres, the group centres and the local shops?

Mr Davey: My understanding is that EPSDD is responsible for planning, in terms of the broader planning for Canberra, including town centres and group centres.

MS CARRICK: They do not seem to organise the collaboration and the governance. Why do we have the City Renewal Authority for the governance arrangements for one area, but we do not have that for the rest of the ACT?

Ms Berry: I do not know whether it is useful, Ms Carrick, to talk about the work of the Suburban Land Agency, and when the land gets handed over to the Suburban Land Agency in preparation for sale, in order to understand the community and consultation processes that the Suburban Land Agency conducts across a range of different areas. Gungahlin town centre is a really good example of where the land has been prepared and it is set for sale. It is handed over to the Suburban Land Agency, who then go through the process of preparing the land for sale and development.

MS CARRICK: The vision for the Suburban Land Agency says:

... we don't only deliver land—we take a community focussed approach to deliver places that communities value and build a sense of belonging.

How do you do that for the Woden town centre?

Mr Davey: More broadly—if I can start there—it is through community consultation. We undertake extensive community consultation and take a place-led approach to building communities and building places. That involves engaging with the community to understand how they use a place or an area, what their expectations are, and what they would like to see in those areas. From that, we then continue to put together a design brief or a vision for what that place might look like.

MS CARRICK: Outside of section 7, what place plans do you have for the Woden town centre?

Mr Lee: I have read and acknowledge the privilege statement. In response to your previous question, Ms Carrick, some of the town centres, local centres and group centres have been identified as part of the minister for planning's statement of priorities. The ones that are listed sit with EPSDD to coordinate. We have been working very well and closely with EPSDD on those projects. As Mr Davey has mentioned, some projects sit with the Suburban Land Agency. The Woden town centre is not one of those, but we do have a number of Woden town centre sites that sit on the Indicative Land Release Program. The view is that there is a body of work that could bring all of that together.

MS CARRICK: Good. When will that happen? At the moment, it does not appear to meet the Chief Minister's statement of ambition that we have good design, good governance and great collaboration. What does the SLA propose to meet that ambition for the Woden town centre?

Mr Lee: For the sites that are on the Indicative Land Release Program, we have been looking at a precinct based approach. If you think about the sites across Callum Street, we are looking at whether there is a precinct that could be taken to market.

MS CARRICK: But this is just in isolation; this is piecemeal. I am talking about a place plan that is holistic for the town centre, not just piecemeal development, block by

block. You did do some good consultation on section 7, next to the Hellenic Club, but the Hellenic Club ended up purchasing that, which is another issue. When you assessed the Hellenic Club to purchase section 7, what social and economic factors were considered, or was it the commercial requirements of the Hellenic Club? How did that fit into the social factors? When we absorb so many people into these big clubs, how does that impact on the social and economic development of the rest of the town centre? And where is the holistic planning for where people meet?

Mr Lee: There are two distinct issues there. With Woden section 7, we went through a very similar process to what Mr Davey has mentioned. In terms of the broader planning for Phillip, that is something that sits with the planning directorate, in terms of master planning for the broader town centre. Notwithstanding that, there are sites that are identified on the Indicative Land Release Program that are clearly the responsibility of the Suburban Land Agency, and we are looking at how we can release those sites to ensure that there is an integrated approach and a precinct based approach to the sites that we are releasing.

MS CARRICK: I will leave it there.

MS TOUGH: With the new suburbs planned in Molonglo, including a new town centre, what is the timeframe and the process for the SLA to work with the National Capital Authority to start to deliver that land in the suburbs? How does the SLA get to where it needs to be to start selling that land?

Mr Davey: As you have identified, in September 2024 the Molonglo Group Centre was effectively upgraded to be a town centre, which has shifted some of the work that we have to do in terms of infrastructure and all the pre-work that is required to get to the point of being able to release the land. The plan that we have for the Molonglo town centre is the same as we would have for other tracts of land of that size released, and we will release it in stages. We are still going through the process of the design of the town centre in detail, and then the normal process would be to go to tender to get the preparatory works done. We need to make a decision, obviously, about how that will be released—whether it is released to market; how that is done.

Currently in the ILRP, we have the first relatively small release scheduled in for some time in the coming year or so. As I said at the outset, we are looking very hard internally at what can we do to streamline our processes to make sure everything is stacked up to go, notwithstanding any surprises or unexpected issues that might arise from a range of areas, as they tend to in relation to development. The Molonglo town centre is definitely a priority.

We touched on other suburbs in Molonglo. We are currently finalising Whitlam, which is a suburb that has been underway for some time. There is more land that we are currently trying to get to the point of being able to release to market, including single residential blocks for people to buy. There is some significant work we are doing in terms of water quality management by way of constructing a dam. That is quite a large infrastructure project. The reason I am mentioning this is to give you a sense of the timing. It effectively encumbers that land. We have blocks that I would love to make available for people to buy now, but they would not be able to build on them for a couple of years at least, until that dam work is finished. Again, we are looking at how

we get that work done in a timely way.

Also on the horizon for Molonglo more broadly are the new suburbs of Bandler and Sulman. They are in the early stages of planning, but we are trying to factor in how we accelerate that work where we can but in a way that factors in all of the important aspects of community building, environment and sustainability. We have quite a lot of growth in Molonglo to come. I hope that answers the question.

MS TOUGH: Yes; thank you.

MS CARRICK: How many homes are you forecasting or planning will be in the Molonglo town centre itself, and how many will there be in Bandler and Sulman?

Mr Davey: That is a good question. I did have that on the top of my brain because I was talking to someone about it last week. I will check whether Mr Lee has the town centre numbers at hand, because I might say the wrong number.

THE CHAIR: You can take it on notice if you cannot find it.

Mr Lee: I do not have that to hand, actually.

Mr Davey: If you are comfortable, I will take that on notice. That is an easy one for us to get.

THE CHAIR: Thank you.

MR RATTENBURY: A few weeks ago, it was reported that section 121 in the city has been sold to the Capital Property Group. They are going to develop a mixed-use precinct which will become home to about 1,000 people in the next decade. As part of that story, the government purportedly said the project would include 502 homes, 15 per cent of which would be affordable rentals. Could you clarify what the definition of an affordable rental is in that context?

Mr Pirie: That is referring to affordable rental dwellings delivered by or managed by community housing providers at or below 75 per cent of market rent.

MR RATTENBURY: Is there an affordable housing provider identified for that project or is it too early at this stage?

Mr Pirie: It has not been identified yet.

MR RATTENBURY: When you talk about 75 per cent of market rent—and, clearly, this is quite a premium location—how will low-income people be able to afford 75 per cent of a premium city location?

Mr Pirie: The expectation is that there is a requirement that those dwellings are rented to people through a community housing provider. Our expectation is that the target would be met as a requirement of the deed that we will have in place with the developer.

MR RATTENBURY: How long are those rentals required to remain affordable

rentals?

Mr Pirie: Fifteen years.

MR RATTENBURY: What happens after 15 years?

Ms Berry: That is something that we will have to work towards understanding at the end of 15 years. What we are trying to do now is respond to a crisis in housing and get people in homes immediately. What happens in 15 years is something that we will have to renegotiate. Currently the contract is for 15 years, but it is definitely something to consider in the future.

MR RATTENBURY: Under that contract, there is a payment from government out of the Affordable Housing Project Fund, as I think it is called. Are you able to tell—

Mr Pirie: Not for that project—no. The requirement is attached as part of the requirements of the sales process.

MR RATTENBURY: That will have impacted the price at which the government sold the block.

THE CHAIR: Minister, I am intrigued at your answer that you are forming contracts and leases now with 15-year clauses and that you are going to think about what happens after 15 years. In 15 years, you will have no negotiating power because everything will already be signed. So, if, at the end of 15 years, the properties return to the developers, how on earth will you turn around and say, “We’d like to negotiate.” Wouldn’t it be better to make these decisions now when you have not yet signed the documents?

Ms Berry: This is a relatively new way of working with private developers and other investors to encourage more build-to-rents that are affordable for people across Australia. The ACT is not necessarily leading the way on this, but it is a new area for the country to deliver more affordable homes now, while we are experiencing a crisis. There are a couple of ways in which that is being delivered. One is the way that Mr Rattenbury has talked about, where the sale price of a piece of land might be impacted because of the requirement of the government to have at least 15 years of affordable rentals in that place. Another way that we are requiring at least 15 years is through our work with investors and private builders who want to be part of the affordable housing program of works. In that circumstance, there is support from the ACT government for the delivery of affordable homes.

That does not mean that the government is not aware that this has a 15-year life to it, but there is an expectancy that, amongst all of this, we will be working towards delivering more and more affordable homes across a range of areas. This is not the only solution to affordable housing in the medium to long term. This is part of the solution, but it is not the only thing that we are doing. To say that we are not thinking about what happens in 15 years is probably a stretch.

THE CHAIR: I was not thinking about general policy; I was thinking about particular contracts and leases. If you sign a document, you cannot go back and negotiate it with the developer.

Ms Berry: As I said, we signed those contracts based on what we are trying to achieve in the medium to short term to address the crisis across a range of areas. This is just one of them.

THE CHAIR: Mr Cain, do you have a supplementary?

MR CAIN: Chair, I think you covered the absurdity of not knowing what will happen after a relatively short period of a lease, so thank you.

THE CHAIR: The lawyers in the room all panicked! Mr Emerson, do you have a substantive question?

MR EMERSON: On housing strategy and policy, my understanding is that the ACT has the lowest proportion of community housing within our social housing mix in Australia. First of all, is that accurate? Is that the government's understanding as well?

Ms Berry: I cannot confirm that. I would have to take that on notice to confirm whether that is the case. We will get what we can, because we do not know everything about community housing providers. We do not collect a lot of their data, but we will find out what we can for the committee.

MR EMERSON: Thank you, Minister. As a supplementary, assuming that it is relatively low, based on what I have heard, and given Commonwealth rent assistance and GST exemptions are available only to community housing providers but not for public housing—so there is some Commonwealth funding that could be available to us—do we have a strategy from a policy perspective to incentivise the provision of more community housing in the ACT?

Ms Berry: We have for years. In fact, it is almost a perverse incentive for state or territory governments to sell off public housing to community housing providers, because they are able to claim Commonwealth rent assistance. In the ACT, whilst community housing is an important part and a priority in building more homes that are affordable to people who need them, public housing has also been a priority in the last decade, to build our public housing back up in the ACT. Whereas other states and territories sold off tens of thousands of homes to community housing providers, we did not do that here in the ACT. We made a concerted effort to fund community housing providers and support them, and we have done that more with a range of different funds that we have released more recently. The federal government has done it as well, through the Housing Australia Future Fund. So there is significant support now for community housing providers to grow, and that gives local governments, like in the ACT, a chance to concentrate on our own backyard and grow our own public housing.

MR EMERSON: Given that the government has made a commitment to increase the total proportion of social housing—and we know there are limited opportunities to do that in the public housing space—is there a strategy to increase that proportion through more community housing provision, given that the proportion in the total housing stock has been going backwards for many years?

Ms Berry: Yes. The government made a commitment through last year's budget to

provide funding for community housing providers to access funding to be able to build capacity and build more homes. But also, alongside the Commonwealth housing initiatives, it gives community housing providers many more opportunities than they have had for a very long time, other than the CRA and that sort of perverse sell-off. This gives local governments like ours and the federal government the chance to work more closely together, so that we can provide the land availability and the community housing providers can get the funding support from the federal government. Is there anything you wanted to add to some of our policy about that?

Mr Pirie: No. I just note that it is pulling multiple levers to support the additional 4,000 affordable dwellings target. It touches targets to land release, it leverages Commonwealth funding opportunities, and, as the minister said, it leverages the government's Affordable Housing Project Fund.

Ms Berry: The first round of the Housing Australia Future Fund was targeted at community housing providers. We are looking forward to finally hearing who has the contracts in the ACT. We understand it is for around 700 homes. That is excellent. We cannot wait to get work done on that. The second round is more towards government and social housing, which is what we have applied for, which we can talk to more during the CSD program. That Housing Australia Future Fund has been a real gamechanger for community housing providers, to be able to access funding over and above that from states and territories. It has made a huge difference.

MS CARRICK: My supplementary is in relation to the Productivity Commission's RoGS data, which says that we have the lowest occupancy rate in public housing, or the highest vacancy rate. Can you tell me why that is?

Ms Berry: That is a better question for tomorrow, for CSD officials.

THE CHAIR: That is probably reasonable. Minister, community housing is fantastic, but there is the 15-year issue. At the end of 15 years, we do not know what happens to the property. Maybe it returns to the private market. Is that the same problem we are going to see with our community housing too—that in 15 years we will not have that housing stock anymore?

Ms Berry: I am not sure what you are talking about, because it is a completely different circumstance.

THE CHAIR: Is there still a 15- or 20-year clause for our community housing providers? Are they only available for subsidised 75 per cent market rent for a certain period of time, not for all time?

Mr Pirie: It would depend on the funding and financing model and who owns the asset. In the case of HAFF projects, for example, a large number of them will be community housing provider owned. There will be a certain level of support provided by the HAFF for a period of time. Generally, it is 25 years, with regard to their funding support. In those instances, at the end of that arrangement the asset is retained by the owner of the asset. So it will depend on the funding and financing model for the particular project that we are looking at.

THE CHAIR: I am sure that in 25 years we can work out what we are doing to do with it.

MR RATTENBURY: Minister, hopefully I am not misrepresenting you. I thought I heard you say you do not really have line of sight on the number of community housing properties in the ACT.

Ms Berry: I think it is the different circumstances in which they rent. We can find out. If we do have that information, we can maybe provide it at tomorrow's hearing. We can probably get a pretty good idea of the number of properties, but what they do with each property might be a little bit trickier.

MR RATTENBURY: Does the national regulator collect that data on community housing?

Ms Berry: Again, I would have to take it on notice for tomorrow.

MR RATTENBURY: That is fine. Thank you.

THE CHAIR: That is all being taken on notice for tomorrow's hearing. Thank you. Mr Cain, do you have a substantive?

MR CAIN: I do. Minister, I make reference to question on notice 6—and it is something you are aware of—which asked a series of questions about the current status of the Ginninderry conservation corridor, as part of the Ginninderry Joint Venture development. As part of your answer, Minister, you claimed that the Ginninderry Joint Venture controls almost all of the 596-hectare West Belconnen conservation corridor, with the exception of two lots. Minister, why is the acquisition of land in perpetuity within this corridor no longer a condition under the commonwealth's environment act for this development?

Ms Berry: I do not quite understand the question; I am sorry.

MR CAIN: Minister, as you would be aware, a condition of the approval to designate land as a conservation corridor is that the joint development must be legally entitled to all the land. You have acknowledged that neither the government nor Riverview own part of that corridor, so why is that whole area still designated as a conservation corridor?

Mr Davey: I will make an attempt at answering this question. Late last year, the Department of Climate Change, Energy, the Environment and Water, hereby known as DCCEEW, updated the Ginninderry Joint Venture's Environment Protection and Biodiversity Conservation Act development conditions. You are correct in that, prior to that, there was a requirement under that EPBC Act determination that the two parcels of land did need to be acquired.

MR CAIN: They have not yet been acquired.

Mr Davey: As I was just saying, late last year DCCEEW updated that requirement, and it is no longer a requirement for those parts of the land to be purchased in order for the

JV to satisfy its EPBC requirements.

MR CAIN: The review also found that there were five administrative non-conformities. What were they?

Mr Davey: I would have to take those on notice, but that is correct.

MR CAIN: Perhaps you will need to take this on notice: what actions are being taken by the joint venture, of which SLA is a partner, to address the five administrative non-conformities identified by this review?

Mr Davey: I will take that on notice. I just want to confirm that the previous requirement to acquire those parcels of land is no longer a requirement.

MR CAIN: Does the joint development, SLA or Riverview on its own have plans to acquire these two parcels?

Mr Davey: As there is no requirement to acquire them—

MR CAIN: That is not what I asked. Are there plans to acquire them, nonetheless?

Mr Davey: Not that I am aware of.

Mr Lee: In relation to the lot 61 land, which was put to market through an expression of interest process, Riverview Developments—

MR CAIN: I do not want to be rude, but that joint enterprise is the land where the Ginninderra Falls is located?

Mr Lee: Yes. Ginninderra Falls is actually within multiple parcels of land; but, yes, on the southern side. Riverview Developments has submitted an expression of interest through that process.

MR CAIN: Has SLA submitted an expression of interest?

Mr Lee: No, the SLA has not.

Mr Davey: The SLA and government have no current plans to acquire that. We were advised that Riverview has expressed interest, but that is not SLA or the government.

MR CAIN: Why is that?

Mr Davey: There is no need. We have no need to acquire that land.

MR CAIN: You are acquiring other land in New South Wales, aren't you?

THE CHAIR: Mr Cain, do you have further specific questions? No? I will ask another substantive question. Minister, Treasury has undertaken three application rounds for funding for build-to-rent proposals with an affordable component and instigated an \$80 million affordable housing project fund to provide assistance. As at June 2024, six

projects have been approved for assistance through the fund and are expected to deliver about 280 affordable dwellings. Just so that we do not get confused, I am asking this with respect to our housing strategy and the coordinator-general. This is probably not an SLA-specific question. Minister, can you tell me what is the cost to the ACT government per build-to-rent dwelling?

Mr Pirie: We would probably have to take that on notice.

THE CHAIR: That is okay. I might fire at you a whole bunch of things that you may take on notice, and that will be fine. Can you tell me how that compares to the cost to the ACT government per public housing dwelling?

Ms Berry: We will take it on notice.

THE CHAIR: How does it compare to the cost to the ACT government per community housing dwelling?

Ms Berry: We will take it on notice. Can I suggest that we will probably take all of those questions on notice.

THE CHAIR: I would love to lodge them now, if it is okay, Minister.

Ms Berry: Sure; knock yourself out.

THE CHAIR: How does it compare to the cost to the ACT government per Rentwell or HomeGround subsidised property? For all four of those, how they compare. Thank you. Ms Carrick?

MS CARRICK: I was interested in the cost of land in the greenfield areas. Is it more expensive than the land around us, including Googong, and why is it more expensive than comparable sites—for example, Googong?

Mr Davey: Can I make sure that I understand the question? Why is Googong land—

MS CARRICK: Molonglo, for example. Why is land in the ACT more expensive than comparable size blocks in—

Mr Davey: It is mainly driven by market forces. People are willing to pay what they will pay to live in certain areas. If you look at Molonglo, Whitlam or other suburbs, if people who are spending the money to purchase a house or land want to live closer to Stromlo or the centre of Canberra—wherever it might be—it is probably safe to say that the price in Googong reflects the geographical location perhaps being further out. People consider costs of living, driving into town for work, shopping or other things, and that all adds up in your considerations. It is driven by the market.

MS CARRICK: But the SLA sets the price when they—

Mr Davey: The SLA is required to undertake or have undertaken at least two independent valuations; so, yes, we set the price, but we do not set the price on our own. We are guided by independent valuations so that we are not effectively setting the price

to what we think it should or should not be. It is based on the market valuations. Obviously, we look at that routinely across all of the land that we sell to ensure that we are complying with our legislative obligations in that respect. We do not discount land. We do not pump up the cost of land. We sell it at market rates, for good reason.

MS CARRICK: So it is an input cost to our high cost of housing?

Mr Davey: Records would show that, after COVID, and around 2022, land costs went up a lot across Australia. I think that was the market at work, and certainly not SLA. But we have to work within those conditions. That is why it is sometimes difficult for us to anticipate how much land we will have in our inventory at any given time, because the market can change.

MS TOUGH: The Affordable Home Purchase Scheme helps low to moderate-income families who are ready to buy their first home, rather than a build-to-rent type situation; it actually helps them to buy the property. How does the scheme operate? Is it operating across Canberra or is it concentrated in particular areas of Canberra?

Mr Holt: I have read and understood the privilege statement. The Affordable Home Purchase Scheme is one of the three affordable products. We have public housing, community housing and affordable home purchase. The Affordable Home Purchase Scheme has been running since 2017-18. Basically, it is a requirement that, every year, the minister publishes a notifiable instrument which gives us targets for affordable, community and public housing.

The Affordable Home Purchase Scheme is a model that applies to both our multi-unit and previously single residential blocks of land. With our multi-units, we apply targets to sites that are sold to developers, and they are obliged to provide housing to affordable home purchasers.

The way that works is that there are eligibility criteria. People can apply through the Suburban Land Agency to become an eligible purchaser. When a developer is ready to progress their development, they come to us and say, for example, "We have 15 units in our development that we want to apply to the Affordable Home Purchase Scheme." The Suburban Land Agency matches up an eligible purchaser with the developer. The developer then negotiates a sale at an affordable home purchase price, which is set through the housing policy, which is indexed each year. It is based on different sizes of dwellings—based on whether they are smaller or three-bedroom dwellings.

The program itself applies across the whole Indicative Land Release Program, but over the last couple of years the affordable targets have gravitated more towards community housing rather than affordable home purchase. We have some legacy sites that are still sitting with developers and which will come through the system. As they are ready to develop the site, they will come to us and we will find them a purchaser.

MS TOUGH: You said it is now just the multi-unit dwellings, rather than single dwellings?

Mr Holt: Yes. We have done 181 house-and-land packages. Out of those, we have 25 left that are still in construction, and they are due to be finished this year. With the gap

between the affordable home purchase price and the development cost, it is such a big gap now that it is actually not sustainable for developers to provide those products.

MR RATTENBURY: Following on from that, you talked about a legacy. From the comments you made at the end, does that mean you do not intend to offer that product in the future?

Mr Holt: Probably not, given the market gap at the moment regarding the market value for properties in the affordable home purchase thresholds that have been set. The thresholds have been set based on a formula around people's capacity to pay—that not more than 30 per cent of their income would go towards housing. That gap in the development costs has meant that, between the price and the cost of development, it is too much to provide, especially in the single house and land packages. We cannot afford to do those. There are potentially some areas of unit developments, but less and less so.

MR RATTENBURY: Have you done any analysis of whether people who purchase those properties are making windfall gains? To be clear about my question, if they purchase here and they can sell within a couple of years, my understanding is that they are not obliged to sell it at an affordable price; they sell it at a market price.

Mr Holt: We do not have a lot of anecdotal evidence of people who have subsequently sold, but we do have requirements, as part of their eligibility, that they are to hold the property for a minimum of 12 months. But after that they are able to sell that property at market value.

MR RATTENBURY: The government has identified that you are going to build an affordable build-to-rent in Gungahlin. Has a site for that been identified?

Mr Holt: Yes, there was a site identified in the Indicative Land Release Program, but we are going through some further planning in Gungahlin town centre east, which will identify a different site that is more suitable for build-to-rent.

The feedback through the Turner build-to-rent sale process and our engagement with build-to-rent operators nationally is that there is an optimum scale and characteristics of a site that you would look to develop which would be more suitable, especially for them to attract investment, given the yields are quite small on build-to-rent, so especially when you put an affordable rental component in there as well. We have actually taken a little bit of time to design a more suitable site that is close to public transport, close to the services that are in Gungahlin town centre east, and which will also be more attractive to build-to-rent operators, to ensure that they can develop a site in a timely manner.

MR RATTENBURY: Am I correct in understanding, from what you are saying, that they prefer a larger project, to enable some sort of economy of scale? Is that what you are alluding to?

Mr Holt: Yes. It can operate at all different scales, but the sweet spot, from the feedback, for them to get institutional investors, especially into the ACT, is around that 300 to 350 dwellings mark, but things above that are better.

Generally, with these build-to-rent operators, there are not a lot of them in the ACT at the moment and, to attract them, you have to bring it to a scale at which they are willing to invest. A lot of it is around their ongoing management responsibilities for a build-to-rent building, because it stays under single ownership. They run a concierge service and a management service over the precinct. It is an operation model, so a lot of their costs are operational costs, and they have to find a scale that helps to manage those ongoing operational costs.

MR RATTENBURY: You are reflecting the fact that this is a newish type of program in the ACT. Do you have any either anecdotal or actual evidence so far as to how those kinds of projects have gone in the territory—the occupancy rates and these sorts of matters?

Mr Holt: I visited one in Dickson. There is one in Dickson, above the new Coles development in Dickson, which is a purely build-to-rent model. I went through there probably 12 months ago. I went through with the operators of that, and they were getting a steady uptick of occupancy in the building.

They do run off very high occupancies to make them financially viable. They need to be in the 95 per cent occupancy range. They also said that there is a period of what they call stabilisation. Once they go to the market, it will take time to get to that level, so they are generally looking at a two-year stabilisation period to get those occupancy rates up to that 95 to 98 per cent level.

Ms Berry: The coordinator-general and I visited one that operates in Brisbane and had redeveloped a hotel, and it had pretty high occupancy. It was right on the South Bank, so it was a pretty good spot for them. It was a matter of building a community around this high-rise development. It is like a suburb on its own. It has movie nights, it has a concierge, dogs are allowed, pets are allowed; it is a high rise, but it is like a suburb.

Whilst there would have been a time in the past when perhaps I would not have thought that that kind of investment model, market driven, would solve our problems, we just need to do everything. We cannot be perfect regarding our social values on this one. We have to include everybody. I am seeing, and I am being convinced by these investor groups, that it is working. It is not by any means the answer, but it is part of it.

MR RATTENBURY: Just quickly on the Gungahlin site, do you have a date when you intend that site to be released?

Mr Holt: I do not have a date for it yet. The new indicative land release program, which will come out midyear, will have the updated timing for that.

MS TOUGH: Is build-to-rent more likely to be just a build-to-rent building, or is there a look at doing a mixed build-to-rent, build-to-buy system, or is it just too early, really, to know how it will go?

Ms Berry: We are piloting a build-to-rent-to-buy program in Ginninderry, which is specifically for women who have an income, and then gives them the opportunity to build equity in their home and then purchase their home. So again new areas, but—

Mr Holt: Yes, there is a range of solutions there. Generally, with a lot of these models, it is around the financials, to get the capital to stack up to work out how they might develop the precinct. So some of them might have an arrangement where they will retain a proportion of them, then sell off some of the dwellings later on down the track, especially with the larger scale developments. This is how they source their funding. The reason that is important is that this is different to a standard build-to-sell development where they get their financial return upfront. These are a long-hold asset. So they get very low yields, generally, and usually the investors that underpin them would be either private equity or through superannuation schemes or those sorts of things. So it is really a management model of how they operate the development afterwards.

MS TOUGH: With the Ginninderry one, is that up and running?

Ms Berry: Just about. I think we are doing a digging of a hole next week.

Mr Holt: Wednesday morning.

Ms Berry: From Wednesday morning, so there you go. Good timing.

THE CHAIR: I am going to ask Mr Pirie to add to his list of questions on notice the cost to government for build-to-rent-to-buy. Thank you.

MR CAIN: Minister, there appears to be a very lengthy timeline between when a member sends you a housing constituent representation looking for advice or assistance and the reply from your office. In this relatively new term, I have already waited for responses to housing-related min reps from your office for up to 67 days. I am still awaiting a response to a min rep sent on 26 November, which was about an urgent need for property maintenance at an Evatt property. My question, Minister: how long does Housing ACT have to respond to you after a member's constituent representation is sent to your office?

Ms Berry: It depends on the circumstances, and this is really a question for CSD tomorrow, but—

MR CAIN: No, this is ACT Housing.

Ms Berry: Yes, that is for tomorrow's CSD. This is SLA and housing policy.

THE CHAIR: I think this is the capital works, but I believe the minister is going to take the question. Were you happy to answer the question?

Ms Berry: I just said it depends on the circumstances, but my office is always available, should the matter be urgent enough for a member of the Legislative Assembly to speak to my office—if the matter is urgent—in a private way. That has always been my practice with the previous opposition spokesperson for housing. I would speak to him on a regular occasion and talk with him about individual circumstances on a confidential level. My office is always available to do that. Should the matter be urgent enough that the member who has received the constituent's inquiry gets in touch with my office, my office has always been available to do that, and I think I have led by

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example through a number of my portfolios where that has been the case.

MR CAIN: I would welcome that initiative more to my direction.

Ms Berry: All you need to do is pick up the phone, Mr Cain.

MR CAIN: We correspond with your office through the usual means, Minister. My second question—

Ms Berry: As I said, I am always available. My office is always available.

MR CAIN: I am sorry. The numbers do not align with what you have just said. My second question: what is the process—

Ms Berry: Well, you have never contacted my office, Mr Cain, in the way—

MR CAIN: I have contacted your office many times.

Ms Berry: I am advising you that there are other ways that you can do it if you would prefer.

MR CAIN: Perhaps showing some ministerial initiative as well, Minister.

Ms Berry: Well, that is ministerial initiative, Mr Cain.

THE CHAIR: We might move on to the next supplementary that you had, Mr Cain, which might be the end of our hearing.

MR CAIN: What is the process for this letter to get approval from a department official before it is sent to your office?

Ms Berry: I will take that letter on notice for tomorrow.

MR CAIN: How long does that approval process take?

Ms Berry: Again, it depends on the circumstances, but it is a better question for tomorrow for CSD.

THE CHAIR: Thank you, team. We are at the end of our hearing.

Ms Berry: Just before you go, we have some answers to questions.

Mr Davey: Just for administrative efficiency, I can give you the dwelling numbers we are anticipating for Molonglo town centre. I was lucky I checked, because I was missing a zero, so it is 7,500. For Bandler and Sulman, it is pretty early days. They will be less than that. They are only broad numbers but at this stage they could be around 6,000 for Bandler, and a lot less for Sulman, because it is smaller.

THE CHAIR: Thank you very much for your attendance today. We have had a number of questions on notice taken. If you can provide your answers to the committee's

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secretary within five business days of receiving the uncorrected proof *Hansard* that would help us out. Thank you to our witnesses who have assisted our committee through your experience and knowledge. Thank you to broadcasting and Hansard: we appreciate you. If any member would like to ask a question on notice, please upload it to the parliamentary portal as soon as possible, no later than five business days from today.

Committee adjourned at 12.31 pm.