



**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON ENVIRONMENT AND  
PLANNING**

(Reference: [Inquiry into the Role and Future of the Woden Town Centre in the context of a compact city](#))

**Members:**

**MS J CLAY (Chair)**  
**MS F CARRICK (Deputy Chair)**  
**MR P CAIN**  
**MS C TOUGH**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**THURSDAY, 11 DECEMBER 2025**

*This evidence was originally heard by the Committee during an in-camera hearing on 11 December 2025. The Committee made attempts to consult the witnesses but did not receive a response. The Committee therefore resolved on 23 April 2026 to make this transcript publicly available. For further information, please contact the Committee Secretary.*

**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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## **Privilege statement**

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*Amended 20 May 2013*

## **The committee met in camera\* at 2.20 pm**

**CLARK, MR ANDREW**, General Manager, Development, Geocon

**GEORGALIS, MR NICK**, Managing Director, Geocon

**ISON, MR JACK**, Senior Development Manager, Geocon

**THE CHAIR:** We welcome representatives of Geocon for our in-camera hearing. Please note that, as witnesses, you are protected by parliamentary privilege and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly.

At your request, the hearing is being held in-camera. That means we are not broadcasting at the moment. I must inform you that it is within the power of the Assembly or our committee to order publication of any evidence taken here today. As you know, the committee intends to publish as much of the evidence taken today as we can, but we will only do that after giving Geocon notice and an opportunity to respond and raise any objections, as well as the reasons for those objections. So there will be a process before any of this is published, and we will consider your reasons before publication occurs. I will let you know that, in past practice on this committee, when we have received good objections, we have not published that evidence. Would you like to make a brief opening statement before we proceed with questions?

**Mr Georgalis:** We have not prepared anything.

**THE CHAIR:** That is okay. It is not necessary. I will ask the first question. We have had a fair bit of evidence about vacancy rates and the offerings of apartments in the Woden town centre. There is a fair bit of criticism about the small apartments in particular—those that are 50-square-metres—and about some about the vacancy rates. Sometimes those vacancy rates do not seem to match the official data. We assume that commercial property developers are in the business of selling homes, but do you have any views on whether your current mix in Geocon is hitting the market or whether it is not meeting people's needs?

**Mr Georgalis:** To be fair, the most popular product on the market is the 50-square-metre or 55-square-metre one-bedroom apartments. They are in most demand. The properties in least demand are, in fact, three-bedroom apartments. The vacancy rate across the ACT, from my understanding, sits under two-per-cent across the board. Do we have anything to provide as official evidence on that, other than what the ACT government probably has access to? Not really. But, when we release our projects and sell our projects, the last remaining units to sell are, in fact, three-bedroom units, larger two-bedroom units or larger one-bedroom units. I would say that, contrary to some of the evidence that might have been put forward today—I am not aware of what it is—50-square-metre units or a 72-square-metre two-bedroom units are most popular, amongst both renters and purchasers.

**THE CHAIR:** What sorts of individuals or family types are moving into those small apartments?

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\* *This evidence was originally heard in-camera. The committee resolved on 23 April 2026 to make this transcript publicly available.*

**Mr Georgalis:** It is hard to gauge immediately after we complete a project, because people sell properties or people rent them out or ownership changes. I do not know if we have anything solid, but—

**Mr Clark:** No; it is a subjective view based on what we see in the marketplace and what people are instructing they will use the apartment for. We find that, in the Woden Valley, there is a much larger uptake with regard to people with a nursing background or from the hospital. That has been a major driver. But, once we get into the split between specific investments versus what a particular family profile looks like, we do not capture that information on a case-by-case basis.

**Mr Georgalis:** And it would be difficult to say if it was a single person or a couple living in a one-bedroom unit or even a one-bedroom-plus-study unit or two-bedroom unit.

**Mr Clark:** To expand on something Nick said, there are 802 apartments in WOVA. I am pretty sure that about 56-and-a-bit per cent were one-bedroom apartments, and they were the first ones that we sold. There is obviously a fair bit of talk with regard to unit types, but certainly, in terms of the market taking those up, they were the first units to sell, followed by the two-bedroom units.

**Mr Georgalis:** In fact, they were the first units to rent out as well.

**THE CHAIR:** What was the price range of those one-bedroom units in WOVA?

**Mr Georgalis:** We are going back a number of years. The projects—Hello, Fiona.

**MS CARRICK:** Hello. Apologies for being late.

**Mr Georgalis:** That is okay. If we were to price them in today's marketplace—and this is using a range—it would be anywhere from \$450,000 to \$600,000 for a one-bedroom apartment. This is without having prepared anything or having had an opportunity to review proper data.

**THE CHAIR:** Sure. On that same theme, in the WOVA building, what is the current occupation rate or the current vacancy rate?

**Mr Clark:** At the moment, we have only 10 units left to sell, so—

**THE CHAIR:** So you have sold 792?

**Mr Clark:** Yes. There are 780-odd settled units. We have contracts exchanged for everything but 10 units.

**THE CHAIR:** Are they occupied by people who are renting or living there yet?

**Mr Georgalis:** The unsold properties?

**THE CHAIR:** No; the 792.

**Mr Georgalis:** We believe so. About 150 formed part of the property management portfolio and they took about six weeks to lease.

**THE CHAIR:** You may not have the data on this, but have you noticed any churn? Have you noticed that people are buying those apartments and then selling them again within a year or two?

**Mr Georgalis:** That has probably been happening a bit more in the past couple of years, probably because of mortgage stress. If you were to use what is happening today as an indicator of what is happening in the marketplace, it might be reflective of the current circumstances. I would say that sort of data might not be accurate as a long-term view. There is always a churn or resale component. Do you guys have any data or anything to reflect on that?

**Mr Clark:** No.

**Mr Georgalis:** It is very hard to gauge because, with interest rates rising, people who have multiple investments or even just one would be more likely to move property, whereas, when interest rates were stable, there was very little churn. So it is not really reflective of the property market; it is more reflective of the capital markets.

**THE CHAIR:** The interest. Fiona, do you have a question?

**MS CARRICK:** Yes, on that line of questioning. Do you know the split between investors and homebuyers, in WOVA, for example?

**Mr Georgalis:** Was it crudely 30 per cent or 35 per cent for owner-occupiers?

**Mr Clark:** Yes, crudely.

**Mr Georgalis:** I think the norm nationally—and I would need to sight this properly—would be 20 per cent owner-occupiers and 80 per cent investors. We are probably sitting at 35 per cent owner-occupiers and 65 per cent investors.

**MS CARRICK:** In WOVA, what was the percentage of one-, two- and three-beddies?

**Mr Clark:** In WOVA, a touch over 56 per cent were one-beddies, 40 per cent were two-beddies, and the remainder had three bedrooms.

**MS CARRICK:** What has been the most popular?

**Mr Clark:** One-beddies.

**Mr Georgalis:** Yes. Sorry—you might have missed the commentary we had just before you got here.

**MS CARRICK:** Sorry.

**Mr Georgalis:** The first units to sell and to lease are, in fact, the one-bedroom units.

The remaining units are the three-bedroom units and the larger two-bedroom units. That is a general theme across every property development in the ACT, and certainly with our projects.

**MS CARRICK:** Tell me if you have already answered this question. Yesterday, we heard from the Property Council that there was stock sitting on the market, and not just in WOVA but across the board. She has indicated that the smaller apartments were the ones that are now a bit harder to move. When you look at SQM Research statistics, some apartments are sitting on the market for over six months, and there was a connection with the smaller ones.

**Mr Georgalis:** That is not our experience in any of our projects. We have under 10 left at WOVA to sell out of the 800 apartments. I believe that, when we completed the project just over 12 months ago, we had about 130 left. The majority of the 130—120—have sold in the past 12 months.

**MS TOUGH:** I am interested in some of the amenities that are provided in the different developments. One of the things that has come up is that there are not as many amenities in Woden as there once had been and there is a need for amenities. What is in places like Grand Central Towers and WOVA? Are there community spaces? Are there recreational facilities? What is in the buildings for residents?

**Mr Georgalis:** I will give a brief on WOVA and then you guys can step in. These guys get to more of the coalface. WOVA has an extensive amount of amenities. There are about four floors of them—not four complete floors of the building but four floors of an area. There is a swimming pool floor, there is a function space, there is a cinema, there is a gym, there is a yoga space and there are co-work areas. There is an extensive amount of amenity there. In this particular project, I thought it was a quite good outcome that we had it all effectively confined within one area that has a private lift within it. Other developments like Grand Central Towers had similar sorts of amenities but spread out over different areas of the building. It is a personal preference that I like to see it confined within one area. Someone else might have a different preference. There is no right or wrong. Did I miss any amenity, Andrew?

**Mr Clark:** A private dining room.

**Mr Georgalis:** There is a function space—a dining room. That is quite common across every development that we deliver now. That sort of amenity exists within that.

**MS TOUGH:** Once you develop it and sell it, you move on from having stuff to do with it, but do you know what the usage of those facilities is like for residents?

**Mr Georgalis:** Often we get feedback from agents that have open homes on weekends. It is used a fair bit—in particular the wellness components, if there is a sauna, a steam room, a swimming pool and a gym. They certainly get a lot of usage, particularly being within the development and being exclusively for the use of the residents. I would say those are probably used the most, as well as the dining room or the function space.

**Mr Clark:** Yes. This is not speaking about one of those two projects, but, traditionally, based on some of the work in Republic, those function spaces are constantly booked

out. We found that the general clientele booking it were people holding parties who did not want to necessarily hold the parties in their residence. There is a booking schedule that the strata companies run and the EC organise. That is how they book them out. From reports on more established stock, it has been used quite extensively.

**Mr Georgalis:** The co-working space was extremely popular during the COVID period. I could not comment on how popular it has been—whether it is getting the same sort of usage. Some of this kind of amenity that is put into these developments evolves or changes, depending on what is going on. Every one of our developments, since we did Republic, has a co-working area within the development.

**MS TOUGH:** That makes sense. What role do you have in the commercial fit-outs at the bottom? Obviously, you are building commercial space. Do you have a role in fitting that out before you hand it over or is it just left as it is for, I guess, the strata or the EC to find tenants?

**Mr Georgalis:** The commercial space is usually sold off to owner-occupiers or some investors. It could be a hairdressing business, an eatery, a cafe, a real estate agent or professional services of sorts. It is very hard to do any sort of fit-out, because we do not know the exact usage. In some instances, we do a lease first and then on-sale with the lease. It is no different to any other commercial or retail space. There is some sort of incentive or some sort of work is done to assist with the fit-out. Generally speaking, we are not involved in that.

**MS TOUGH:** Do you have any involvement in making sure they are all sold, or is that—

**Mr Georgalis:** It is certainly in our interests to ensure that they are all sold—yes.

**MS TOUGH:** Thank you.

**MR CAIN:** I have some questions about build quality in the towers. What life cycle maintenance modelling do you undertake to demonstrate that the density of towers you are proposing will not impose unsustainable long-term costs on owners and residents—for example, through special levies and strata levies?

**Mr Georgalis:** We certainly stay involved with the executive committee for many years afterwards.

**MR CAIN:** Do you do any modelling? When you are in a build or after the build, do you do modelling on the sustainability of your towers?

**Mr Georgalis:** To understand the question a bit more, do you mean modelling on sustainability?

**MR CAIN:** In terms of maintenance needs or rectifications which obviously turn up now and then. They are well-publicised.

**Mr Georgalis:** Certainly maintenance or repairs need to happen and we ensure they happen for a particular period of time after a building is complete. Regarding modelling

on sustainability and the long-term life cycle of buildings, I do not know if we have invested in that. We will take that on notice and will go a bit more in-depth with the construction side of the business.

**MR CAIN:** That would be appreciated. Have you ever entered into arrangements on your developments where trades deliver discounted work during construction in exchange for being guaranteed future maintenance or service contracts once the strata is formed?

**Mr Georgalis:** No.

**MR CAIN:** What controls do you have in place to prevent procurement practices that push trades to cut corners, such as agreeing to below-market rates, with the expectation that they will make it back through strata maintenance fees later?

**Mr Georgalis:** I do not think anything makes it through strata maintenance later, particularly in the first 10 years. In our experience, if anything, there is probably the opposite effect—that a subcontractor does not exist anymore and the onus is on us, as the builder, to make the repairs at our expense.

**MR CAIN:** How do you ensure that maintenance contracts awarded before the first AGM of the strata are competitively priced and not influenced by commercial arrangements made during construction?

**Mr Georgalis:** They would not be made, because they are not made by us; they are, in fact, made by the strata company that is employed or awarded the strata management. They would engage every contractor, cleaner and maintenance person. I would not be across how that process works on their behalf. Regarding our appointment of the strata manager and what they do from there on, we have very little control over it.

**MR CAIN:** Thank you.

**THE CHAIR:** We have had a few suggestions from people about how we get what the public need from the Woden town centre. One is public and community housing. The minister has now started talking about inclusionary zoning, which means that a proportion of every apartment block would have some housing set aside for public housing or community housing. Have you had any experience with that? Have you thought through how that would work?

**Mr Georgalis:** The only experience we have had with that is with some of the sites the SLA has sold off, for the housing component allocated for community housing and affordable housing. We have stayed away from it. We feel that the way it has been structured in the ACT—which is somewhat different to how it is done in New South Wales—is very high risk. I believe some of the sites that sold in 2019 and 2020—major sites in the ACT with a lot of affordable housing requirements—have not been delivered because of the complexities around them. In fact, some of the pricing of those units at the moment is probably under what it costs to build, let alone land acquisition, design, interest and any other contingency.

Then we fall into the category of providing development services on behalf of

government. It is quite complex, particularly with the rising market—rising construction costs and interest rates. How do we manage that or how does that happen? Regarding assets that are owned by the territory, it certainly impacts the initial purchase price. That is a consideration. It will certainly be a forced challenge on sites that do not have that allocation, or privately owned sites or privately owned buildings that are redeveloped.

**THE CHAIR:** When you talk about sites involving the SLA that have not been taken up, do you mean involving ACT Housing? This committee saw those on the books. ACT Housing was offered sites and did not take them up. Is that what you mean?

**Mr Georgalis:** No. I believe some of the sites that were sold by the SLA that had a component to be delivered—five per cent community housing and 15 per cent affordable housing—have not commenced. Some have, but the bulk of them that were sold in 2020, 2021 and 2022 have not really kicked off.

**THE CHAIR:** That was community and affordable housing, not public housing?

**Mr Clark:** It varies.

**Mr Georgalis:** It varies—yes.

**Mr Clark:** We have seen all three.

**THE CHAIR:** You mentioned that there is a better system in New South Wales. Tell me how you think that works.

**Mr Georgalis:** My understanding is that there is not a fixed price that you sell the property at, but there is a requirement to lease it at a discounted rate.

**THE CHAIR:** A requirement on the property developer?

**Mr Georgalis:** Let's say property developer on that particular element of the development. It is five or 10 per cent. But I am not across it, because we do not do any property development in New South Wales. I could take it on notice and provide you some information on that.

**THE CHAIR:** You are welcome to. The planning minister has inclusionary zoning in his forward plan. We do not know the details of that. A lot of us have been campaigning for it for a long time. It may become a feature of the ACT system. I am interested to know if you have any views on how that works. The goal is to make sure that there is a certain proportion of public or community housing in every development. It is interesting that it is not appealing to you and you have not seen it working yet.

**Mr Georgalis:** We have steered clear of it. To put it bluntly, having something cheap means something else is expensive. Providing 10 per cent of your development as affordable housing means you have 90 per cent above what the average means is. It is a bit of a push and a squeeze and represents a figure that is picked up somewhere else. I think it is very challenging.

**THE CHAIR:** Are there other ways that government might pay for it, through LVC or through building heights or through land cost or through money? There are lots of ways that the government might facilitate it.

**Mr Georgalis:** As in our view on it?

**THE CHAIR:** Yes.

**Mr Georgalis:** The cost of property has changed over the past 20 or 30 years. HIA did a study that showed the cost of an apartment is 38 per cent tax and the cost of a house is 49 per cent tax in New South Wales. That is without taking on the lease variation. So the biggest component of housing is, in fact, tax. Whether it is a tax, a duty, a fee, a tariff or whatever it might be, 38 per cent of the cost of an apartment is a government tax or fee or levy. It is 48 to 49 per cent of a house in New South Wales. I do not know what it is in the ACT.

Internally, we say that we are just mere custodians of all the costs before they are passed on to the consumers. The LVC has certainly impacted development, but, again, that adds to the cost base because it is passed on to the consumer. We understand its appropriateness when you are changing the lease and there is a contribution required by developers for the territory, but it is very difficult and complex, particularly in trying to meet affordability, because costs are rising. They have certainly slowed down since COVID lockdowns. We are not seeing the 20 per cent to 25 per cent rise per annum. We are probably down to more like three to five per cent per annum now, if nothing changes in the marketplace. When we talk about policy written today that might suit a particular price point, by the time it is delivered, there have been incremental increases with inflation that potentially could jeopardise it. That is why we see that policy written today does not account appropriately for inflation. And inflation can change; it is not limited to CPI, particularly with the NCC changing on a constant basis.

**MS CARRICK:** My questions are about recreation facilities. As you know, the pool has been a big issue. I will not talk about the DA; I have other questions. With the new pool, the commercial space, how do you envisage it? You were talking about commercial spaces at the bottom of buildings and that somebody buys them. Do you think that, with the new pool, that will be the situation—it will be a commercial space at the bottom of the new building and somebody will buy it to operate the public pool, or will the executive committee operate it? How do you think it is going to work?

**Mr Georgalis:** It will be an independent space that would be fitted out as a swimming pool, and the option will be for someone to run it. I think it would be completely separate from residence management or influence. It would operate independently as a swimming pool.

**MS CARRICK:** Will Geocon fit it out or will the new owner fit it out?

**Mr Georgalis:** We would be doing the complete works for that swimming pool.

**MS CARRICK:** Has there been any work on the financial sustainability of it? Assumedly, it will have to stay open for reasonably long hours and have lifeguards, and there will be the costs of running a public pool. Has there been any analysis on the

financial sustainability of it?

**Mr Georgalis:** Probably what leases and rents would be paid for an operator of that space.

**Mr Clark:** Yes.

**MS CARRICK:** Are you able to provide that analysis of financial sustainability?

**Mr Georgalis:** We might take it on notice. I am certainly conscious that some of this is commercial-in-confidence, because there are proposals put forward by operators which are clearly commercial-in-confidence. Sustainability is certainly backed by the private sector wanting to take up a lease. No-one is taking up a lease unless there is a commercially viable opportunity. There is certainly strong interest in that space.

**MS CARRICK:** How many people have showed interest so far?

**Mr Georgalis:** I could not tell you off the top of my head. We have not gone to market properly, and we would not go to market without a DA. This is more about some of our feasibility work that was done early in the piece.

**MS CARRICK:** Have you ever thought of keeping the ice rink and the pool and becoming a community facility operator?

**Mr Georgalis:** We certainly are operating it at the moment, and we are going through the process with the DA. We are being a bit careful as to how we put our words together, associated with the DA and having residential there as well.

**MS CARRICK:** The question was: would you consider it? I know you have the DA in, but would you consider continuing to operate the pool and the ice rink into the future, forever?

**Mr Georgalis:** Understood. Thank you.

**MS CARRICK:** I guess the answer is no.

**Mr Georgalis:** We are certainly trying to meet all of the conditions of the community, and certainly the terms of the Territory Plan. That is certainly what we are trying to follow.

**MS CARRICK:** Would you be interested in—I am not saying that the ACT government would—a scenario where the ACT government would be interested in taking the site back for the community, or a land swap, where they swap the land and give you some of their land, so that the pool could be kept for the community?

**Mr Georgalis:** We certainly do not feel that is an option. I do not think that it is something that would be entertained, commercially.

**MS CARRICK:** If the ACT government were to approach you and say, “Have we got a deal for you” to do a land swap, would there—

**Mr Georgalis:** We would prefer not to comment on hypotheticals.

**MS CARRICK:** Okay. It is a hypothetical.

**MS TOUGH:** We just talked about inclusionary zoning. I am aware that some of the apartments within WOVA and Grand Central are not bought by Housing ACT and community housing providers and disability providers as turnkey apartments. They own the apartment and then use it, rather than having to rebuild as part of the development from the start or having to develop their own properties. Do you track how many, when you are letting them go to these—

**Mr Clark:** We do. We sometimes have the opportunity to sell to the ACT government. We really cannot comment on where they are or when they do.

**MS TOUGH:** Yes. I do not want to know who is living in what. I just want to know if you have relationships—

**Mr Clark:** It is a quite small amount. It would potentially be a very simple solution to that affordable housing and community housing requirement—to make the acquisitions as it sees fit or necessary, because that keeps it very clean. We have some data.

**Mr Georgalis:** We know who we sold it to in the first instance. Whether there have been any subsequent sales will be the issue. We do not track that data. But, in terms of who we have sold to at points in time, that was disclosed up front. I do not have it at hand, sorry.

**MS TOUGH:** That is all right. I am not interested in trying to make public who is living in which buildings; it is more about whether you have that relationship with them and whether that is a viable way in the future.

**Mr Georgalis:** I do not believe that government—correct me if I am wrong—actually buy from developers. They work with particular real estate groups that form a panel. That panel agent goes to market or looks at the market on their behalf. I am not 100 per cent sure of how that works as we are—

**Mr Clark:** That is how it works. Then they will get independent valuations and will go through all the motions after the fact.

**MS TOUGH:** To make sure they are not being ripped off or whatever, and—

**Mr Clark:** From our understanding—and we are not necessarily watching over their shoulder at any point in time—they send through some experts to double-check that they are suitable apartment layouts for the purpose. For some units, they will just say, “No, it does not suit,” if they will retrospectively apply things or have other elements.

**MS TOUGH:** Before they are purchased in development, are there ever disability providers or someone who says, “We’re interested in buying X number of apartments while you’re building them. Can you fit them in a certain way?” or would any disability-friendly work be retrofitted after the build?

**Mr Clark:** For Grand Central Towers, a group approached us and we did fit them out. The new NCC is a little more accommodating in some of the requirements for retrospective applications—putting in blockings, noggings and all that sort of stuff in the wall for certain bathrooms, straight off the bat. That is a more broad form. The simple answer is yes, we have, but not in WOVA. It was in GCT, and also other projects, but not in WOVA.

**Mr Georgalis:** It has not happened in recent days.

**MS TOUGH:** But it is potentially possible to do that?

**Mr Georgalis:** It has happened—yes. We were approached. Again, it is about timing. They may have missed the boat because the structure is done and the fit-out has happened. A lot of the time, providers may be in the marketplace and can clearly see the status of our project and do not approach us. It depends on where we are up to, them being aware of it and then approaching us.

**MS TOUGH:** But, if the time is right and they get in early enough—

**Mr Georgalis:** Timing is critical. The reason is that, normally, they have a fixed sum, in terms of money—funding and other sources. If they are too late in the piece, having to pull things apart to retrospectively apply costs too much money and it takes them over to the limit. It is really about early engagement, where we can properly consider it, beyond what we do, as required under the NCC these days.

**MR CAIN:** Is it true that, in your high-rise developments, you select and pay for a private certifier?

**Mr Clark:** I believe that is the case—yes.

**Mr Georgalis:** That is correct—yes.

**MR CAIN:** Given that you appoint and pay the private certifier, what measures do you take to ensure that they exercise genuinely independent judgement rather than feeling commercial pressure to keep your business?

**Mr Georgalis:** It is in our best interests that they are inspecting all the trades works. I will paint the picture another way. There is one clear shot to make sure we get it right while it is being built. The certifier also acts on our behalf to ensure that all the works are done in accordance with Australian standards, or the NCC, and specifications. It is also an insurance policy for us to make sure things are done properly. Retrospectively fixing something, which we do go back and do, certainly costs a lot more than what it does to get it right the first time. I would like to say that it is not done just on our projects; it is the industry standard. I do not believe that any certifier would act in the interests of the developer to get the job done right. Effectively, that is their livelihood. And there is the scrutiny that everyone is put through. In fact, the random inspections by ACT government planning and regulatory services are quite frequent—a lot more frequent than might be realised by the general public—to check window glazing, energy ratings and that everything is done in compliance, including insulation type and the like.

Those random inspections happen on a very frequent basis.

**MR CAIN:** Can you confirm whether the certifier on any projects has ever been disciplined, cautioned or audited by the Construction Occupations Registrar? Will you provide those audit outcomes?

**Mr Georgalis:** I do not know if they have or have not. We do not know.

**MR CAIN:** How do you respond to the concern that developers can select certifiers known to be more flexible, creating an environment where design or construction shortcuts are more likely to be signed off?

**Mr Georgalis:** I do not feel that is the case. How many certifiers are in Canberra?

**Mr Clark:** Off the top of my head?

**Mr Georgalis:** There are certain certifiers that have a high level of expertise in dense and large projects that are probably more suitable to be certifiers in those particular projects, and there are also certifiers that are too small, do not have that experience and would not take that work on. I do not know how I feel about it, other than we certainly ensure that we are using people that have the appropriate experience or exposure and understanding of how these large projects are put together, to be able to certify them appropriately and contribute to the process.

**MR CAIN:** Do you use one certifier or one certifier and their associates, commercial or otherwise?

**Mr Clark:** Fundamentally, yes. We use McKenzie Group. They have multiple certifiers, including the ability to peer-review their work interstate.

**MR CAIN:** Within that group, how many of their certifiers would you use in, for example, the towers in Woden town centre?

**Mr Clark:** Throughout the course of the process, there are usually two to three certifiers from the certifying company. It depends on the frequency of the inspections and depends on where the project is specifically up to—at which hold point we are referring to. Generally speaking, the organisation that we engage with will use anywhere between two to three on a particular project.

**MR CAIN:** How do you respond to the concerns I hear that developers can select certifiers known to be more flexible, creating an environment where design or construction shortcuts are more likely to be signed off?

**Mr Georgalis:** We certainly have not experienced certifiers that are more flexible. The projects we are dealing with are at the larger scale, if not the largest in town, so we probably have the least amount of flexibility and focus more on what Andrew said earlier—using organisations that can peer review interstate, to provide levels of expertise or exposure on larger projects. So that is certainly not our experience.

**MR CAIN:** What safeguards do you have in place to prevent conflicts of interest, such

as certifiers having past or ongoing commercial relationships with your company, your builders or major subcontractors?

**Mr Georgalis:** With us being a developer-builder, which is probably not as commonplace in the market, we ensure that we cover ourselves as both a builder and a developer, particularly with developer licensing coming in. There is the contracted agreement that we prepare. In fact, we had a session today about upgrading our contracts. That would certainly cover that.

**MR CAIN:** Do you acknowledge that a system where the developers hire the certifier can create an incentive to cut corners? What specific governance controls do you use to ensure that quality is not compromised by structural defects?

**Mr Georgalis:** Certainly, peer review and experience is something that would add to that. Reputationally, the market has become a lot more sophisticated and experienced in buying property. Again, we can only refer to our experience. We have not had that experience. Being both a developer and a builder—and, as a builder, we do not undertake third-party contract work—we may not have exposure in that space either.

**MR CAIN:** Thank you.

**THE CHAIR:** I want to have a chat about amenities outside the building. You have taken us through some of the things you provide inside the building for residents. We have had lively discussions during these hearings about whether government should provide the green spaces, the nice public areas outside the buildings in Woden Town Square—whether developers should do that or whether there should be a mix. Does Geocon provide any public amenity outside of the Geocon buildings at the moment in Woden town centre?

**Mr Georgalis:** I can probably prefer to WOVA as an example. If you walk through the grounds of WOVA, there is public seating and there is green space on the site. Is that what you are referring to within the public space?

**THE CHAIR:** Yes. That is exactly it.

**Mr Georgalis:** When we have the opportunity to deliver a precinct like WOVA, with multiple buildings, there is certainly an opportunity to create that space. If we go to Republic, as an example, Midnight in the city or WOVA, being precincts or large blocks certainly adds the amenity and the experience for the residents and the retail space—the public sitting areas, green space, the plantings et cetera. That is certainly something that happens in those types of developments. If it is a single building on a block, it becomes a bit more challenging because, effectively, in a town centre, you are building boundary to boundary. More often than not, we are required to put in park benches or bike racks or to upgrade some of the amenity on the immediate verge. That has happened on many projects.

**THE CHAIR:** As part of the approval?

**Mr Georgalis:** Yes.

**THE CHAIR:** Is there are a requirement to maintain that? How does that happen in the long term?

**Mr Georgalis:** No. That is handed over to TCCS. They inspect to get compliance, and then they own the asset.

**THE CHAIR:** So you build it and TCCS is responsible for long-term maintenance?

**Mr Georgalis:** Correct. That is if it is outside the boundary.

**THE CHAIR:** If it is within the boundary?

**Mr Georgalis:** That is for the body corporate or strata.

**THE CHAIR:** Have there been any problems with the handover of TCCS maintained areas?

**Mr Georgalis:** Not really. They take a bond. They reinspect it. There might be some defects and maintenance work. We attend to it. There is nothing that I would say stands out.

**THE CHAIR:** For a long time, the property sector on the Eastern Seaboard—and I am not specifically asking about your business details; I would not do that—has been running about 15 to 20 per cent profit. Is that still what is happening with the property sector. Is that still the general—

**Mr Georgalis:** We are still paying for the COVID lockdowns, so we have not seen profit for a number of years.

**THE CHAIR:** So you think you are running at zero per cent profit at the moment in the sector?

**Mr Georgalis:** For a number of years, it has been run at zero or a loss. If you look at Bovis, Lendlease and Mirvac last financial year, Bovis had a \$1.5 billion loss and Mirvac had a \$800 million loss. It has been a very interesting few years, with the COVID lockdowns and the massive cost increases. If we are talking about where profitability of projects might sit, it is commercially sensitive, but the industry certainly got winded with the COVID lockdowns.

**THE CHAIR:** Where is the best source of publicly available information on that?

**Mr Georgalis:** The *Fin Review*.

**THE CHAIR:** Sure, but is there a disaggregated data source?

**Mr Georgalis:** I do not believe so—no.

**Mr Clark:** Not that I am aware of.

**Mr Georgalis:** I just cited two large companies that were in the *Fin Review*—

**Mr Clark:** Publicly traded companies.

**Mr Georgalis:** Yes—all the publicly listed companies and their publicly available information.

**MS CARRICK:** My question is about the draft Territory Plan and the purchase of the pool site. The Territory Plan was released on 1 November 2022. I understand you bought the site in December and consultation finished in March. How did you know that the conditions in the Territory Plan would not change? That was the draft. Consultation did not finish until March 2023—

**Mr Georgalis:** Sorry to interrupt. Andrew, correct me if I am wrong, but wasn't all that presented to the Woden Valley Community Council—changes to the draft?

**Mr Clark:** Yes.

**Mr Georgalis:** It was all publicly available information.

**MS CARRICK:** Yes; I know. The draft was publicly available, but the consultation period did not finish until March. Until that consultation period finishes, we do not have the final. The conditions on the site could have changed in that period. It is a risk to buy the site when you do not know what the final conditions will be. How did you assess whether to buy the site when you did not know what the final conditions on the site would be?

**Mr Georgalis:** We did not know the conditions, but we still purchased it.

**MS CARRICK:** The draft was out, so you knew what the draft conditions were.

**Mr Georgalis:** Yes. That is what we said earlier, but we did not know if it would happen.

**MS CARRICK:** So that was a risk that you took—you bought it and hoped that those draft conditions remained in place in the final version.

**Mr Georgalis:** We purchased the site. We knew what was being circulated through the Woden Valley Community Council.

**MS CARRICK:** Do not worry about the Woden Valley Community Council; this is about the draft Territory Plan. Assumedly, when the government were doing community consultation, they could take the feedback from the community and could have changed those conditions and said, “No; we’re not doing that. We’re keeping the 50-metre pool”—the overlay that said, “We’ll keep the conditions with the 50-metre pool and the ice rink.” You guys took a risk in buying it before the final Territory Plan came out.

**Mr Georgalis:** That is correct.

**MS CARRICK:** Did you have any meetings with the ACT government about the conditions of the site, prior to the draft Territory Plan coming out?

**Mr Georgalis:** None.

**MS CARRICK:** Thank you.

**THE CHAIR:** That brings us to the end. On behalf of the committee, thank you for joining us today. I now call an end to the hearing. Thank you.

**Mr Clark:** I hope we could help.

**Mr Georgalis:** Thank you.

**The committee suspended at 3.04 pm**