



**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON THE FISCAL SUSTAINABILITY  
OF THE ACT**

(Reference: [Inquiry into the Fiscal Sustainability of the ACT](#))

**Members:**

**MS J CLAY (Chair)**  
**MR E COCKS (Deputy Chair)**  
**MS F CARRICK**  
**MS C TOUGH**

**PROOF TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**TUESDAY, 19 MAY 2026**

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**Committee Secretary:**  
**Dr D Monk (Ph: 620 50129)**

**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 at 4.04 pm.**

**BERRY, MS YVETTE**, Deputy Chief Minister, Minister for Education and Early Childhood, Minister for Homes, Homelessness and New Suburbs and Minister for Sport and Recreation

**CALLAGHAN, MS LAUREN**, Chief Financial Officer, Education Directorate

**MATTHEWS, MR DAVID**, Chief Operating Officer, Education Directorate

**MOORE, MS NICOLE**, Executive Group Manager, System Policy and Reform, Education Directorate

**WOOD, MS JO**, Director-General, Education Directorate.

**THE CHAIR:** Good afternoon and welcome to the third public hearing of the Select Committee on the Fiscal Sustainability of the ACT. The witness today is the Deputy Chief Minister, first in her capacity as Minister for Education and Early Childhood and then as Minister for Homes, Homelessness and New Suburbs.

The committee wishes to acknowledge the traditional custodians of the lands we are meeting on, the Ngannawal 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 any other Aboriginal and Torres Strait Islander people who may be attending today's event or who may be streaming from somewhere else.

This hearing is a legal proceeding of the Assembly and has the same standing as proceedings of the Assembly itself. Today's evidence attracts parliamentary privilege. Giving false or misleading evidence is a serious matter and may be regarded as contempt of the Assembly. These proceedings are being recorded and transcribed by Hansard and will be published. We are also broadcasting and web-streaming live. If you take a question on notice, please say, "I will take that on notice." That helps our secretariat track down the answers.

We welcome Ms Yvette Berry MLA, Minister for Education and Early Childhood, and witnesses. As witnesses, you are protected by parliamentary privilege and 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. As we are not inviting opening statements, we will leap straight into questions.

Minister, you may not have had a chance to read it yet, but the Eslake report came out today and one of the points he has made is that for health we get a contribution from the New South Wales government but for education we do not get a contribution from the New South Wales government for the New South Wales students who are here. Why is that?

**Ms Berry:** Good question. I think it is probably just an historical arrangement that we have had with New South Wales for school education to be provided in public schools in the ACT, noting that, across the region, there had not been a lot of public schools available for some of those sort of little cities around the ACT. That has changed in recent years. I like to think that we had some impact on that when we changed our priority enrolment areas at some of our schools across the ACT, where we were getting a lot of New South Wales students coming in. There are new schools at Yass,

Bungendore and Murrumbateman. That has changed the number of students that are coming into the ACT and accessing public education here in the ACT, which is great, and they have their own school communities in New South Wales. Is there anything more historic that the—

**THE CHAIR:** We do not deny anyone access to the services. It is just why they are not paying for the services where we have that very clear precedent for health. It is unusual. Has it been raised before?

**Ms Moore:** We have cross-border collaborations, but it has not come up as an issue.

**THE CHAIR:** Okay. Have you done any modelling? You must surely know how many New South Wales residents you have in primary schools, in high schools, in colleges and in CIT. Have you done—

**Ms Berry:** Not CIT but public schools, yes.

**THE CHAIR:** Okay. So for CIT, I would need to ask—

**Ms Berry:** Minister Pettersson.

**THE CHAIR:** Sure. Have you done modelling on how many students it is and what we are losing? Do you have those figures?

**Ms Moore:** Yes; we do have those numbers. I do not have them with me today, but we certainly have them.

**THE CHAIR:** Can you take that on notice?

**Ms Moore:** We can take that on notice. We have used those numbers to create New South Wales pathway schools—so what the minister was explaining. We have used our enrolment levers to make sure that they are not taking places in our high priority demand schools—making sure that we can still offer the service but in schools where there is a capacity to meet that need.

**THE CHAIR:** Are you able to provide those figures but also what those figures represent to the ACT budget in terms of lost revenue?

**Ms Moore:** Sure.

**Ms Berry:** We will see what we can get together in the period of time. It might be quite a task to do that, because we do not because we do not already collect that information. We will take it on notice and see what we can provide the committee.

**THE CHAIR:** Great. Do you have figures on how many New South Wales residents we have in private schools in the ACT?

**Ms Moore:** No.

**Ms Berry:** No.

**THE CHAIR:** Has the Education Directorate done any costing or assessment for the upcoming budget on how schools and educators might be affected by the rollout of Thriving Kids?

**Ms Wood:** We have been working with the Health and Community Services Directorate on the planning for implementation of Thriving Kids. I think we have been working pretty well to get a shared understanding of what the impacts on schools might be. It certainly has been the case that we are interested in how our schools can connect into Thriving Kids, not seeing schools as a key point of delivery for Thriving Kids services.

**Ms Berry:** There has been no model developed yet for Thriving Kids in the ACT. Again, we will be working very closely, because it is in our early childhood centres and in those early years within our schools. Obviously, we will have a role, because that is where the children go to school. We will be working closely with Minister Orr on what the model looks like and how education engages in that. There is no expectation that teachers are doing any of the assessment or any kind of implementation of Thriving Kids. But, certainly, they will be an important part of the rollout, because some of the therapies or supports that are provided to children would impact their education, I am sure.

**THE CHAIR:** Sure. When would you expect that work to be delivered? What is the timeline for this work to happen?

**Ms Moore:** We understand that the services will start to roll out from October—so gradually implemented over time. So we will be engaging with them between now and then on service design and what the interface with education and early childhood will be.

**THE CHAIR:** I am trying to get my head around how that works in our budget cycle. If you are engaging between now and October, are there any financial implications for ACT government? How is that going to fit in?

**Ms Berry:** They might be questions to ask Minister Orr if you are asking particularly about Thriving Kids, because it sits with her portfolio responsibilities and the agreements that she has reached on behalf of the ACT government with regards to funding to fund Thriving Kids. I can take on notice perhaps a little bit of the funding.

**THE CHAIR:** Would you like to take it on notice? There is going to be a fairly big impact in our education setting. I am just wondering if you would like to take that on notice.

**Ms Berry:** I am just not sure what we can provide, because it is still being considered by cabinet and DRC on the agreement that has been reached with the commonwealth government. I will take on notice what I can provide; otherwise, it might just have to wait couple of weeks until it is announced.

**MS CARRICK:** Do you know how many kids are likely to come off NDIS and access Thriving Kids?

**Ms Berry:** These are probably questions for Minister Orr.

**MS CARRICK:** Do you know how many of those may be included in the tiered support for the Strong Foundations? How are they going to overlap or complement each other?

**Ms Wood:** We have been moving towards a needs-based adjustment approach of supporting students with disability at most schools. We are working on practice change and then we will look at how the specific funding we have for students with disability follows those needs. We are working with schools under Strong Foundations on the tiered supports. There will definitely be an overlap of students who need high-level support in their literacy and numeracy and students that have a range of disabilities. Our focus on the multitude systems of support is around ensuring that we have the literacy and numeracy interventions and the other support students need in the school—wellbeing supports et cetera. It really is focused from what a school can deliver. The work that NDIS does is in addition to that. Obviously, we want to make sure that there are good connections between what schools are doing and what other providers are doing, whether it is NDIS or Thriving Kids.

**MS CARRICK:** Will you be having conversations with Minister Orr about where she is going with the disability kids and Thriving Kids and Strong Foundations and how they complement each other?

**Ms Wood:** Yes. There is a—I cannot think of what they are calling it—a cross directorate senior committee, where the directors-general and senior executives are coming together to do that work between now and October to ensure that, as the services are developed, we are making those connections all the way through.

**MS CARRICK:** It could have a significant impact on the education budget.

**Ms Wood:** With some of the pressures that schools are experiencing, I think there is a real opportunity with Thriving Kids and that, if the services are connected well, it actually could be really helpful for the schools.

**MS CARRICK:** Thank you.

**MR COCKS:** I am going to be pretty blunt, in the interest of getting through some tough matter fairly quickly. Both the interim report and the final report of Mr Eslake point to some challenges in education in terms of funding and the funding levels currently in the budget and attainment. Can you tell me how it is that we are paying so much more than the Grants Commission assessors say we ought to have to pay at the same time as we are seeing things like year 12 attainment fall?

**Mr Matthews:** Mr Cocks, I can take the first part of that, as I am the Chief Operating Officer. A lot of the inputs into funding public schools are around staffing. We in the ACT are in a high-cost jurisdiction in relation to staffing. The Commonwealth Grants Commission analysis is useful, but the interstate comparisons compare the ACT with other education systems that are not yet meeting the school resourcing standard. The ACT is the only jurisdiction in Australia that is meeting the school resourcing standard. Therefore, we are funding according to what the rules of the game are for schooling in

Australia. Every other jurisdiction is below that and working towards that. That is one of the factors in comparing our funding and the investment of the ACT government versus other jurisdictions.

As the report notes, there are some unique features of the ACT as a community and an economy. In terms of the labour market costs, just very directly, there is no other equivalent place in Australia to the ACT in terms of other job opportunities that teachers can perform. They are all tertiary educated and are all highly qualified. The labour market in the ACT—

**MR COCKS:** Sorry; other job opportunities?

**Mr Matthews:** To work in the general public service, Mr Cocks. One of the unique things about employment in Canberra is that the public sector sets the benchmark for salaries for the commonwealth and the ACT government, and we have to ensure that we appropriately remunerate teachers, which is why, in short, in the last two enterprise agreements we have had nation-leading pay for teachers. That is a recognition of both their labour but also the labour market in the ACT. The other things which contribute to the cost structure of education in Canberra include our commitment to have smaller class sizes and to make sure that the maximum teaching hours that teachers perform every week are reasonable so that they can continue to prepare, do lesson planning, engage with parents and the like.

There are other cost structures, which I could go into if you want, Mr Cocks, around infrastructure in Canberra. As is the case in the Eslake report more generally, we have inherited a lot of aging infrastructure from the commonwealth. Most of our schools were built before self-government, for example, and are getting to that age. In fact, in Ms Tough's electorate of Tuggeranong, the expansion of schools was in the early 90s. So, really, everything before Tuggeranong was formed was essentially a legacy of the commonwealth government, and our oldest school is 100 years old. So there are a whole lot of particular reasons around why the cost structure is as it is in Canberra generally and with our schools.

**MR COCKS:** Okay. One of the biggest factors that you have pointed to is staffing costs in the approach to funding.

**Mr Matthews:** I would just add one more point, Mr Cocks: there is superannuation as well. The ACT has inherited the commonwealth government superannuation scheme and we, as part of our budget, contribute to that. So we have legacy superannuation arrangements as well, which drive up the costs relative in the ACT compared to other jurisdictions.

**MR COCKS:** Maybe you can provide on notice what the actual cost of that is in education. That would be really useful.

**Mr Matthews:** We can do that. We report to the commonwealth as part of that, Mr Cocks.

**Ms Wood:** Mr Cocks, I would just add that there is also a contributing factor in the cost of capital and the land base in the ACT and how that factors into those costings as well.

**MR COCKS:** That the cost of capital is higher?

**Ms Wood:** Yes, because our land values are higher.

**MR COCKS:** Okay. And the other part of the question that you did not get to was that, at the same time, we are spending more, we seem to be seeing things like year 12 attainment falling.

**Ms Moore:** There is a data issue rather than an actual issue. We are doing really well with our year 12 attainment. What we see in the Eslake's report is that the RoGS data from 2022 was paused at that time because the commonwealth recognised there was a problem with the methodology. Briefly, the numerator is a problem because it is not collected the same way across the country. We only report those students who get a BSSS—Board of Senior Secondary Studies—approved certified year 12 certificate. Other jurisdictions include a range of other qualifications that we are not quite clear on.

But the biggest issue for us in the ACT that is quite specific to the ACT is the denominator is an estimate of the residential population based on postcodes. So, where there is a postcode that crosses over New South Wales and the ACT, it is a sort of arbitrary splitting of the numbers of students who may be in the population. The problem with that data source was that it was not actually giving a clear picture and was not reliable. There has been work nationally to improve that measure, and we are going through the process nationally to have a new measure approved. If you look at our budget papers and our annual reports, you will see our year 12 certificate rate based on actual students, which we know is 89 per cent, and you will see in the revised methodology that we are actually well above the national.

**MR COCKS:** But even with the disagreement around exactly how you measure it, the trajectory looks pretty concerning when you see, based on the graph in the interim report, numbers that run from up around the 87 or 88 per cent a decade ago falling down to around 73 per cent, it looks like there. I take your point that you use a different methodology to measure where we are at, but that trajectory is not good.

**Ms Moore:** That trajectory has not remained that way, though, either. That is the trajectory to 2022. You will see that after COVID there was a dip, but the trajectory since then has certainly improved.

**MR COCKS:** It was before COVID that it was on that trajectory. That is why I am pointing out that it is a 10-year trajectory.

**Ms Berry:** It was using the previous methodology.

**Ms Moore:** That is all the previous methodology. It was never accurate and not reliable. The new methodology will actually look back over time and show a different pattern. There will be ups and downs, but we have consistently been above the national average and going up.

**MS CARRICK:** When will we see it fixed?

**Ms Moore:** ACARA, as the body responsible for the national school reporting, have developed new methodology. That needs to be agreed through education ministers. That process is happening as we speak. We are hopeful that, by next year, the reporting will be corrected.

**MR COCKS:** Right now, the only data we have to go on is what is in front of me here and the trajectory that I have been speaking about.

**Ms Moore:** I would refer you to the annual report, which does have some more reliable data. We report that annually.

**Mr Matthews:** We can provide that on notice if it is going to help the committee. It is publicly available in our annual report. It is based on actual data, as Ms Moore said, which shows very high levels of completion.

**MR COCKS:** I would be grateful to see that.

**Ms Berry:** I think ACARA has acknowledged publicly that the methodology does not work for the ACT. The data that Mr Eslake was using and that you are referring to is not correct and is not an appropriate reflection of our ACT school system.

**MR COCKS:** So, to be clear: it is correct data in that it is correct under that methodology, but it is different to what the ACT's—

**Ms Berry:** No; the methodology that has been used has been publicly acknowledged as not being suitable for the ACT.

**MR COCKS:** Thank you. One of the issues raised by Mr Eslake was the cost of the college system compared with integrated high school approaches. Have you done any work looking at that or what the cost impact and educational impact of those arrangements are?

**Ms Berry:** We are proud of our college system here in the ACT, and the success is proven. The college system that we have operating in the ACT is more expensive, because it is not part of a school system. We accept that, but we think it also achieves the outcomes for young people that we would want for all our young people in our school systems. In fact, other school systems, school ministers and, indeed, the federal government have often reflected on the success of our college system.

**MR COCKS:** Have you evaluated that?

**Ms Moore:** We do have data that reflects that. In fact, Eslake's final report released today acknowledges that the ACT has the highest retention rate in the senior secondary. That is a major product of the college system that we have. We do know, for example, that from year 10 and moving into college we have quite a number of students move from the non-government sector into the public sector because of our college system. Our retention rate for year 10 students in public schools into college is 92 per cent. So we actually are getting really positive outcomes in terms of education for college students.

**MR COCKS:** Okay. I am not sure I have the same reading. I think Mr Eslake's report indicated that that, at least in part, was due to our socioeconomics. That was something worth looking at. Is the data that you refer to something you can provide on notice?

**Ms Moore:** Yes; it is data that we report publicly. We can provide that information.

**MR COCKS:** The question I asked at the outset went to both cost and cost differences compared with other jurisdictions and the educational attainment difference.

**Ms Moore:** I have the data on the retention rates but I do not have data on other jurisdictions.

**THE CHAIR:** If you have something that is directly relevant to the points in the Eslake report, it would be extremely helpful to submit that on notice.

**Ms Berry:** We have only just seen the final report.

**MR COCKS:** I understand.

**Ms Berry:** I know it was dated the fourth. I thought I missed something and maybe you were holding it or something, but that is not the case. So we will look at it and see what we have got and respond to it.

**Mr Matthews:** Just one more thing, Mr Cocks; in the budget papers, we do break down the per student per annum cost by sector of a school. In terms of the 2025 target, there is about a \$500 difference between the college and the high school sectors per students in cost differentials.

**THE CHAIR:** We might move on.

**MS CARRICK:** There is pressure on all parts of the budget—health, education and all of it. What trade-offs are you aware of, given that you have pressure on the salary budget, which is the main component of it? How are you going to manage to stay within the budget allocated?

**Ms Wood:** We have a range of strategies across the directorate about how we manage within budget but also look for opportunities where we can reduce costs and reduce pressures. There has been some really good work done on giving us some better tools and giving schools better visibility of budgets and trying to get that data to have less lag. One of the challenges always is the lag in your systems, and seeing what it is today is quite hard. So we are doing a whole lot of work on that financial data, a whole lot of work on ensuring we have really good controls and really good visibility around recruitment and managing recruitment closely and doing work to support principals with the complex juggle they have to do in managing a school budget. There are so many different things they have to bring together around their staffing, their students and class sizes and how they organise all of that. We are working on ensuring that we have financial expertise through our finance team and school leadership expertise coming together to support principals and the work they have to do to set their budgets. That is an ongoing process. Obviously, for a school, there will be changes that happen during the year that create a new pressure or create a new issue that needs to be dealt

with. So it is something they have to continue to work through. Mr Matthews might want to add to the work that we are doing.

**Mr Matthews:** Ms Carrick, as you all know as local members, schools perform such a critical role in their local community and they are meeting the variety of need that exists in that local community. Across Canberra that can vary and schools come in different shapes and sizes as well. But the uniform feedback that we certainly get from schools is that they are facing demand pressures from the community in terms of parents being very engaged with their kids' learning, some of the issues facing our disadvantaged members of our community—the cost of living, for example—and support for things like disability and inclusion. Schools are very mindful of that and do their very, very best, with our support, to meet community need and to make sure that every child gets met at the point of need and gets the opportunity of public education.

That takes a lot of day-in and day-out work. Most of our resources are people, and I think that really important to note. This is really about the effort of our teaching staff, of our school leaders, of our other administrative staff and of our business managers. They are working extremely hard. Our business managers perform a really important role. They are essentially the chief financial officers for their school and they run the budget. So we have really leant in to make sure that we provide a lot of support to them and make sure that they have the tools that they need, as Ms Wood said a bit earlier. Effectively, it is an ongoing piece of work that we have to do to stay within our budget and to try to meet that community pressure.

Certainly there is a lot of feedback from school communities about post-COVID needs in the community. The needs of families and individual students have changed quite a bit from that time. We still are coming to terms with that as a community, I think, as well as our individual school communities. The government invests \$1.09 billion in public education in Canberra, which is a fantastic testament to the commitment this community has to that public education. Even with the well-publicised discussions around school budgets last year, we were looking at about a three per cent budget variation. I just want to call out that, in the scheme of things, that adds up to real money, and we are very mindful of that and we have done all the work that Ms Wood has described. It also shows that people treat budgets very seriously and they do their very best to try to meet community need and stay within their budgets.

Our principals certainly give us feedback when they believe that there is unmet need or additional support required and are really upfront and honest. They are giving us that feedback, but we are really working with them to make sure they can meet community need and stay within that envelope that the government has provided.

**Ms Berry:** And, of course, we did the school resourcing review.

**MS CARRICK:** Yes; how is that coming along?

**Ms Berry:** Good. We will be providing an interim report on that, as required by the Assembly, next week.

**MS CARRICK:** Excellent. Are you forecasting that you will be staying within your budget this year?

**Mr Matthews:** In the midyear appropriation or midyear budget review, additional funding was provided to the Education Directorate of around \$43 million to recognise that we did exceed our budget last school year. So that provision has been made. That, I guess, represents our new budget, adjusted budget, that we are working within. From the work that we have been collectively doing with our school leaders and our business managers, we are tracking within that budget.

**MS CARRICK:** I have a question on Strong Foundations. The schools were autonomous and part of Strong Foundations was to bring some centralisation to support the principals. Do you have any identified cost savings from that process?

**Ms Wood:** The first part of working through Strong Foundations was planning how we would roll it out and getting the resources ready for schools. That is the work that has been happening to bring schools together to do the professional learning around the required type of pedagogy, with a really strong focus this year on explicit teaching. Schools are coming together to do that. That means that we do not have to duplicate that work across all the schools that are delivering Strong Foundations. Over time, I think we will see that that will reduce pressures and be more efficient. But we are still at the early implementation phase of getting that new approach rolled out.

**MS CARRICK:** Okay; thank you.

**MS TOUGH:** I want to pick up on a few things that Mr Matthews talked about earlier around funding. On the school resourcing standard, you mentioned that the ACT is the only jurisdiction at the moment who is actually at that standard. Can you explain when that standard was set, who set it and how long the ACT has been at standard?

**Mr Matthews:** Ms Tough, it is a bit of going back in the mind of history there. Essentially it is the Gonski arrangements that were implemented under Julia Gillard and then subsequently by Minister Birmingham in the coalition government. Essentially it was enshrined in the Education Act. The agreement was that the local and state and territory governments would pick up 80 per cent of public school funding and 20 per cent from the commonwealth and vice versa for non-government schools—the commonwealth picks up 80 per cent and the ACT pays 20 per cent. Effectively, we have been at that level throughout.

**Ms Berry:** Higher than.

**Mr Matthews:** Yes. We continue to invest, and the ACT government exceeds the contribution that is required, the minimum requirement under the Education Act. More recently, my colleague Nicole Moore led some negotiations around the Better, Fairer Schools Agreement under Minister Berry's leadership, where we actually have an additional agreement from the commonwealth which will eventually take us to 105 per cent of the student resource standard. That is a really great thing for the ACT community.

There is also ongoing work in that space. The commonwealth itself acknowledges that there needs to be some further work on that SRS formula. It is a point in time and it estimates need and cost of services effectively. They have agreed to review and update

that. There is a recognition around the support needs of students with disability—and this goes somewhat to the question earlier around interface with the NDIS and Thriving Kids, but also the in-school support that is needed, particularly around early intervention to make sure that the kids are really tracking well as early as possible and we are helping them make up gain if that is what they need to do. So, yes, it has been a very good story for the ACT government since those Gonski reforms.

**MS TOUGH:** Wonderful. That is something that has been well over a decade, but the ACT is the only jurisdiction that is actually sitting at that funding level.

**Ms Berry:** Above.

**MS TOUGH:** Above that funding level.

**Ms Berry:** Yes. In fact, when we were negotiating the new agreement, across the country, other schools were trying to get funding to bring their schools up to the standing—which they are, over a period of time now—and my argument was that we should not be punished for doing the right thing in funding our schools above the resource standing. So we were able to get more funding and negotiate a good bilateral agreement with the federal government, which then gets us up to 105 per cent in implementing Strong Foundations, which is what our community has been calling for around consistency of approach. So we will start seeing that across our schools in the coming years.

**MS TOUGH:** Wonderful. Mr Matthews, you mentioned that obviously it was a point in time when that formula was developed and there is work ongoing to see whether that formula needs to change or what students need. Where is that work up to?

**Mr Matthews:** Again, Ms Moore might be better placed to answer.

**Ms Moore:** Under the Better, Fairer Schools Agreement, there is a list of national enabling initiatives, which is basically joint projects that we agreed to do together across the country, and reviewing the SRS is one of those. It is currently listed to be finalised, I believe, by 2029. But at an earlier education ministers' meeting a couple of months back, there was an agreement to bring forward the scoping and terms of reference for that review, and we expect that to be considered by ministers in July. That will obviously just start the process to undertake that review, which will no doubt be quite complex. That is a really important step for us in terms of making sure that the funding continues to cover the costs of school education.

**MS TOUGH:** I want to pick up another thing about the cost of infrastructure in schools that are getting on in age—and most of our schools are older. We have some new schools, but most are older. When we build a new school or new infrastructure in a school—like replacing buildings or building new buildings—what considerations go into those buildings to make sure they are modern and fit for purpose now but flexible into the future, with, for example, climate considerations? Is the ACT government considering that maybe other jurisdictions, when they are building, are not, and is that contributing to the cost of our infrastructure?

**Mr Matthews:** Certainly, when we build infrastructure we want it to last. We certainly

want it to be climate friendly and we want it to be flexible, as you say, Ms Tough. Education approaches can change over time, and what we see with some of our older infrastructure is that it was built at a particular point in time and is less flexible. All of our new schools are constructed against our EDIS, our Education Directorate Infrastructure Specifications, and now we do that work in conjunction with Infrastructure Canberra. They are fully sustainable and also very flexible in terms of their learning spaces going forward. Again, we certainly hear from the community that they would all like their school to look like that—and, obviously, we do our best.

As well as doing new schools, we have done a number of major modernisations in recent years as well. There is a great example at Belconnen High School, for example, where we did an investment, back in about 2019, and it really has now shifted its enrolment pattern where it is now a category A school and a high demand school, where previously it was not. Those investments can be extremely useful in terms of community pride but also in terms of education and making sure that they are fit for purpose. We invest infrastructure upgrades and repairs and maintenance as well. We want to make sure that every school is appropriate and is suitable. We note that the Australian Education Union are doing a particular inquiry at the moment around infrastructure, and they will be coming to town shortly.

**Ms Berry:** They have been here.

**Mr Matthews:** They have been to town? I was away, Minister. Obviously that is a recognition that, ultimately, the funding burden for infrastructure sits with the territory government, in our case. Again, particularly in our case, given we have inherited that infrastructure from the commonwealth, I think that the union are saying that they believe there should be a greater investment there. But, in the meantime, of course, the ACT government invests.

**Ms Berry:** On the infrastructure, what we do not have in education is a national quality standard. We do have in early childhood education a national quality framework, and early childhood education and care settings must meet that framework as far as the physical layout of their services. We do not have that in education across the country. One of the things that we raised at the Education Union's inquiry last week was that kind of framework but also an investment from the federal government would take some pressure off our public school system here in the ACT, where we have inherited older schools which are not as flexible to all the more modern teaching standards. I have been very enthusiastically engaging with the National Education Union on their approach in this space. I think every education minister would agree that the needs and costs for infrastructure upgrades on aging school assets cannot be met by states and territories and alone. So support from the federal government would be greatly appreciated. I have raised it, as have other ministers, with federal education ministers in the past, and I think we are all enthusiastically supporting the Education Union's inquiry.

**Ms Wood:** I would just add that in large school modernisation and the new school builds that Mr Matthews was speaking about we have specifications for those that focus on sustainability, good engaging classroom environments and flexibility. It is never easy, because infrastructure costs are always challenging. There is a lot of work that has to go into delivering high-quality fit-for-purpose learning spaces and school

facilities that fit within a budget. We are always working within a budget and always having to do a whole lot of management of that. Now, as Mr Matthews said, we are doing that work with Infrastructure Canberra as a lead to those major projects.

**MS TOUGH:** Thank you.

**THE CHAIR:** On the infrastructure, Angela Burroughs earlier in the year pointed out the fact that our private schools are getting quite a lot of commonwealth funding for their facilities. Is that part of this inquiry; that disparity in how much funding is going to—

**Ms Berry:** Yes, definitely.

**Ms Wood:** They put out a paper that steps through private contributions but also the contributions of different levels of government to school infrastructure.

**THE CHAIR:** Yes, from commonwealth infrastructure funding for private schools.

**Ms Wood:** Yes.

**THE CHAIR:** Is there any likelihood that the commonwealth might adjust that disparity and spend more on public school infrastructure?

**Ms Berry:** That is what we would like.

**THE CHAIR:** Yes, but this is just an early stage of doing an inquiry.

**Ms Berry:** Yes.

**THE CHAIR:** And there was nothing that changed the settings in the budget just handed down?

**Ms Berry:** Which budget? The federal budget?

**THE CHAIR:** The federal budget. There was nothing in the commonwealth budget that has changed?

**Ms Berry:** No.

**THE CHAIR:** I can give you the reference to this in the Eslake report, but I am sure it is in the forwards as well, because that is where he has got it from. He said that the forwards project spending on education will slow from an average of 4.6 per cent per annum over the past three years to 2.7 per cent per annum over the next four years. So it looks like education ongoing expenditure is dropping. I am just wondering how it is that you are achieving that over the forwards with all of the pressures that you have set out here.

**Mr Matthews:** Essentially, in a nutshell, the way education is funded is on a per student basis. Our school enrolments dramatically increased between 2016 and 2021. I do not have the exact percentage in front of me, but it was a significant increase, and that is

reflected in the Eslake report around the population growth in Canberra. Then, since that time, we have levelled off. We have gone down from about 51,500 students to about 50,000 students. So that is really a reflection of that. The territory budget gives three per cent indexation to education per annum as part of the budget. That meets some of the general inflation and other costs that you would be talking about. But, essentially, it is a projection around student enrolments or the per student funding arrangements.

**THE CHAIR:** A drop from 4.6 per cent to 2.7 per cent is quite a big drop, and the figures you just gave me did not look like as big a drop as that.

**Mr Matthews:** Sure. Again, I am just giving you an approximate answer to say that essentially the forwards are based on—

**THE CHAIR:** Population; it is just purely based on population.

**Mr Matthews:** Yes; and there are other considerations. There are programs that come on and off and pilot programs et cetera. So there is a range of things that represent the forwards.

**THE CHAIR:** I can accept student numbers changing, and I am sure you are best placed to work that out. When you talk about pilot projects coming on and off, does it mean that a forward projection that has a big drop might in fact not be the big drop because there are unfunded programs that we expect to continue into the future and they just do not yet appear in our forwards?

**Mr Matthews:** That is a matter for the cabinet and the government going forward. That is not intended to be an evasive answer. With, for example, the pilot of our free food in schools, we have been progressively looking at that and rolling it out and looking at ways that we can refine delivery. Those types of programs and initiatives regularly come back to cabinet for reconsideration and for decisions, whether that be for additional funding, continued funding or reprioritisation of funding.

**THE CHAIR:** Thank you.

**MR COCKS:** I am really glad you asked that, because you have hit on the questions I was going to ask. Could you on notice provide a list of education programs that come off the budget over the course of the forward estimates?

**Mr Matthews:** We can do that. We would have to go back through the previous budget papers, obviously. Yes, we can do that.

**MR COCKS:** I assume that is something that you have.

**Mr Matthews:** Yes; we do.

**MR COCKS:** The other big issue that is highlighted in the Eslake report—and I appreciate you have not had a chance to look at it—is the question around wage increase pressures. Regarding the numbers that you provided, you said there was a three per cent increase. That still seems to be below the wage price index and CPI figures. How are you going to keep spending in line with what Mr Eslake reports is a 2.7 per cent per

annum over the forward estimates with those increases going up? Are there cuts foreshadowed? How are you actually keeping to those forward estimates?

**Mr Matthews:** We are still negotiating our enterprise agreement. There is a government pay offer on the table at the moment, which is roughly three per cent per year. Obviously, those get negotiated at a whole-of-government level, and that is where the appropriation for those salaries generally come from. But we do not know the outcome of our enterprise agreement yet, quite frankly. Obviously, any commitments that we make as part of that agreement have to be funded and agreed by government.

**MR COCKS:** Okay. The 2.7 per cent per annum is kind of the key thing. How are you going to actually achieve this 2.7 per cent rate of growth compared with the nearly five per cent that has been there previously, when you have all these inflationary pressures? I think that is the heart of what a few of us are trying to get to. It sounds like a big part of the question is things are coming off the budget at the moment.

**Mr Matthews:** Mr Cocks, as you know, it is a lot of hard work to manage a billion dollar budget, and there are a lot of ons and offs that come with it. We have talked about what we are trying to do to work with schools to set budgets and for them to work within it at the same time as meeting demand. That is our daily work with schools. Things like enterprise agreements are big-ticket items. They represent a multiyear salary commitment to staff and they are funded through the budget when those agreements are made.

**Ms Wood:** The minister already spoke about the public school system resourcing review coming next week. That had, as its terms of reference, explicitly looking at how we secure financial sustainability into the future and where there might be opportunities for efficiencies, reducing duplication and a range of things. All of that will factor into how we manage against the forward estimate budget.

**MS CARRICK:** There are 93 or so schools. Okay; there are student numbers., but what visibility do you have? With the budgets, do you give them a bucket of money that is per student? How far down can you go into how a school spends the money or how they budget their bucket?

**Mr Matthews:** That is a really great question, and I will be as succinct as I can. There is a paper that we can give you on notice on the formula for our student resource allocation, which, effectively, is: how do we divide up a pie to schools; what are core loadings; what are additional loadings for additional needs; what is for infrastructure and the like? We can provide that to the committee, and there is a breakdown of how that is done and the cost of that. That could be of assistance.

**MS CARRICK:** Thank you.

**THE CHAIR:** That would be great.

**Ms Callaghan:** And we can provide on notice the reporting and the oversight that we have of their financials on a monthly basis as well.

**THE CHAIR:** That would be great.

**MS CARRICK:** That would be terrific.

**THE CHAIR:** On behalf of the committee, thank you for your attendance today. We have had a few questions taken on notice. If we could get those within five days of receiving the uncorrected proof transcript that would be appreciated.

**Short suspension**

**BERRY, MS YVETTE**, Deputy Chief Minister, Minister for Education and Early Childhood, Minister for Homes, Homelessness and New Suburbs and Minister for Sport and Recreation

**ARTHY, MS KAREENA**, Director-General, Health and Community Services Directorate

**ENGELE, MR SAM**, Deputy Director-General, Environment, Planning and Policy, City and Environment Directorate

**HALL, MS ELIZABETH**, Executive Branch Manager, Homes and Land Supply, City and Environment Directorate

**SHIELDS, MS PENNY**, Executive Group Manager, Housing Assistance, Health and Community Services Directorate

**THE CHAIR:** We again welcome Ms Yvette Berry MLA, now appearing as Minister for Homes, Homelessness and New Suburbs. We also welcome representatives from the Health and Community Services Directorate and the City and Environment Directorate. 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 considered a serious matter and may be considered contempt of the Assembly. As we are not doing opening statements, we will proceed straight to questions.

We have targets on housing—I often talk about the targets on housing—and we are expecting that, by 2030, the total number of public housing properties will have grown to 13,200. I think that is the target for public housing. Last year, the government missed its SLA target for land release for public and community homes by 25 per cent, and I do not think that is being made up this year.

**Ms Berry:** Sorry; what was that question?

**THE CHAIR:** Last year SLA missed its land release target for public housing, and I am just wondering if there is a bigger target going to be set this year to make up for it. Having missed the target for land release, how are we making up for the homes that we did not release and build?

**Ms Berry:** I think you have the wrong people here, but I will give it a crack.

**THE CHAIR:** Okay.

**Ms Berry:** The Suburban Land Agency and the government set indicative land release programs. That is not so much linear; sometimes things get in the way of land or homes being built or released, and that can be made up in future years. As to the numbers that you are asking for, I just do not think we have them on us at the moment, because it is wrong people.

**THE CHAIR:** That is okay. You actually got there; so the numbers can be made up in future years?

**Ms Berry:** They can be, but it might not be next year; it might be the year after.

**THE CHAIR:** Will the target be bigger this year because we missed last year's target?

Will the government intentionally set a bigger target?

**Ms Berry:** It will depend on what is available on the market, whether we are purchasing or building. I do not have a clear answer for you, but I can take it on notice.

**THE CHAIR:** Yes. What I am trying to get to is we have a numeric goal of getting to 13,200 by 2030. The government is setting numeric targets and missing them. How are we going to get to that numeric goal? If you are only looking at what land is ready and you are setting the target based on what you think you can achieve, how are you actually setting the target so you are going to achieve the goal?

**Ms Berry:** Our commitment is to meet the 13,200. That is the commitment the government has made. How we get there will not be linear. Sometimes the numbers will not be achieved in any year or time. That will depend on the availability of land for building but also on the availability of homes to purchase. There might be opportunities that arise throughout a year where homes could be purchased off the plan, and that might mean the numbers would go up.

**THE CHAIR:** And that is a way to make it up.

**Ms Berry:** It is not a black-and-white answer to what I think you are asking for today, but I think the certainty is that it is our intention to reach 13,200.

**THE CHAIR:** Okay. We just saw the March quarterly consolidated financial statement. It says that there were delays in projects, such as the delivery of 30,000 homes by 2030. I am interested in that phrase in the March quarterly that got handed down two weeks ago. Have we had a lot of information about what those delays in projects are?

**Ms Hall:** I think that may be a specific initiative that had the tagline of 30,000 homes by 2030. There is a range of things that have been funded through the budget that would have that sort of start to it. I do not have the detail of which particular initiative that may be, but we can certainly take that on notice and provide advice on that one.

**THE CHAIR:** Can you take that on notice?

**Ms Hall:** Yes.

**THE CHAIR:** That would be great. In the Eslake report, Saul was quite careful to tell us what his expertise was and was not, but he made some comments on various areas where, if government is not investing enough money in something, it pays more. He did that for health. He said that, if we are not investing enough in preventative health, that will lead to higher hospital costs. I am wondering if you have done any analysis of what the financial implications are if we are not investing enough money in public and community housing and, if we have built-in homelessness, what the financial implications are long-term in terms of increasing health costs, increasing hospitalisations and decreasing productivity. Has government done any kind of analysis of what it would cost us to not invest in this?

**Mr Engele:** I am not aware of any specific financial estimates, but I know as part of

the wellbeing framework that access to housing more broadly rather than necessarily homelessness was part of some of the analysis that the CMTEEDD were working on. They were looking at different indicators of wellbeing outcomes and the impact of homelessness on children and then their educational outcomes. I know that, from a social determinants perspective, there has been that work. But, from my understanding, I do not think it has been quantified into financial costs—like if you invest \$1 million now, you will save \$10 million.

**THE CHAIR:** I thank you for being clear and direct that the work has not been done. We have figures like every \$1 spent on preventative health saves \$14 down the track, for instance. The government did an analysis like this for the Drug and Alcohol Sentencing Court and found that the way that sentencing circle proceeds is it saves far more than its operating costs in its benefit. So it is possible to do this analysis. With rising public housing wait lists and rising homelessness, has the government considered whether we should be doing that kind of financial analysis so we can actually see on a page that, if we do not invest here, here is what we are going to be up for in five years and 10 years?

**Ms Hall:** There has been similar stuff done in the past. When we, for example, did the growth and renewal business case as a government, one of the standard things that happens in business cases is an economic CBA—a cost-benefit analysis—which attempts to quantify the benefits of investment. So those sort of things do exist and they do happen. But they also need to be considered with the other side of the equation, which is the cost element and then the relative ways of delivering things as well. Certainly, the government has over the years has had that sort of analysis at hand and has helped inform that. I would also say that that underpins the government's targets we are delivering on.

**THE CHAIR:** Can you provide the recent analysis? I do not want to be too prescriptive here but, if government has done this kind of analysis, I think it would benefit our committee to see it. Has that been done in the last five or 10 years?

**Ms Hall:** I would need to talk to some of my colleagues, because that particular example is outside my current area.

**Ms Berry:** We will take it on notice and see what is available.

**THE CHAIR:** Thank you. What I would be interested in seeing is probably the last 10 or 15 years.

**Ms Berry:** That is asking a lot. I will see what I can find. I have not been here that long, have I?

**THE CHAIR:** The last five or 10 years, say. If you could provide us with any economic or financial analysis that the government has done on the cost of homelessness and the cost of people on the public housing waitlist—the types of analysis that would have been done for the group—that would actually really—

**Ms Berry:** I would say it would probably be depending on the analysis and data from experts within the homelessness sector in forming decisions about public housing,

community housing and the like. So the information might not sit with government but it is something that the government would consider in making those decisions.

**THE CHAIR:** If it does not sit with government, can you tell us which sources you would consider and that you have used.

**Ms Berry:** We will do our best and find out everything that is available over the last 15 years. I do not know. I am just putting a caveat on that. We will do our best.

**THE CHAIR:** Thank you.

**MR COCKS:** Any of those economic analyses, I think, is the really important stuff. The cost-benefit analysis is really helpful. I am going to take a slightly different angle, because we are looking at all sorts of angles on fiscal sustainability. Within the public housing space, clearly making a profit out of rents is not an objective here, but I want to understand the balance of things. Can you start by reminding me how much money comes back from the contributions that ACT Housing tenants make for their rent per year?

**Ms Shields:** It varies year on year. In 2024-25, our rental income was approximately \$106 million in primary revenue. That is, as you say, constrained because we cap rent at 25 per cent of a tenant's income. That means that the majority of our tenants, about 91 per cent, receive a rebate on their rent.

**MR COCKS:** That means, roughly, that nine per cent are paying full market rent. Is that right?

**Ms Shields:** Correct.

**MR COCKS:** Is there a stratification of the types of amounts that people are contributing? Do you have any data that you can share around—

**Ms Shields:** I would have to take that on notice in terms of the specific data. Again, it will vary depending on the location, the size of the property and all of those influencing factors on rent.

**MR COCKS:** I understand.

**Ms Shields:** So we might not be able to give you the exact breakdown for that nine per cent. But I will see what we can give you in terms of perhaps a range—

**MR COCKS:** So the nine per cent are paying full market rent. Is there any sort of stratification of how many are paying almost nothing and how many are paying 90 per cent of market rent? Do you have that sort of data?

**Ms Shields:** I will have to check if we can break it down to that extent.

**MR COCKS:** If you can, that would be great. How many ACT Housing properties are vacant and have been vacant for three months or more? Do you have that sort of data?

**Ms Shields:** I may do. What I will say on vacant properties is it is generally not the same properties that remain vacant over a period of time. We have properties that come in and out of the vacancy space almost on a daily basis as properties are handed back and then we relet—

**MR COCKS:** I know that there are 500 or so that are vacant, but I really want to understand how many are actually vacant for more than that short turnover period. Perhaps if you can take that on—

**Ms Shields:** For three months? Over three months?

**MR COCKS:** Three months, unless you want to suggest a more reasonable timeframe. That is what seemed reasonable to me.

**Ms Shields:** We can have a look and see what we can provide on notice, yes.

**MR COCKS:** Thank you. Do you have any data on how much rental income has been forgone on those properties?

**Ms Shields:** For those that pay the rebated—

**MR COCKS:** Those that are vacant.

**Ms Shields:** I do not have that data with me. But, again, it might be quite difficult to calculate. If you think we can have 500 properties in and out, calculating a day or two weeks or a month on each of those properties might be challenging.

**Ms Arthy:** We may need to heavily caveat the estimates that we provide you. We will outline the assumptions that we have made.

**MR COCKS:** That would be wonderful. Whatever assumptions you can give, that would be great.

**MS CARRICK:** My question is about the Growing and Renewal Program, which is to cease in mid-2027. Will all the homes have been delivered by mid-2027?

**Ms Shields:** Yes. Under the current forecast for the final delivery in the next just short of 12 months, it is forecasted to meet the targeted number.

**MS CARRICK:** Which I think was 12,100.

**Ms Shields:** I believe so.

**MS CARRICK:** That is good. Mid-2027 is going to rock around pretty quickly. What is the new program? Will we have a new Growing and Renewing public housing program or will we have something else to replace that?

**Ms Berry:** We are just moving into the 1,000 new homes of the 5,000 affordable and community housing homes that the government has committed to build.

**MS CARRICK:** Is that on top of the 12,100—in addition?

**Ms Berry:** To get to 13,200.

**MS CARRICK:** What is the plan to deliver that? Will there be a new Growing and Renewing public housing sort of program to deliver them?

**Ms Berry:** There is a BAU kind of program in public housing anyway, which is a very tiny version of Growing and Renewal, where, when homes become vacant, a decision will be sought on whether it is appropriate to repair the home and get it turned back on for renting out immediately or whether the place where the home is situated might lend itself to being able to duplicate and have two homes on that site—so a demolish and rebuild—or it might be a decision to sell it, because we might have a high number of public housing properties within that particular suburb and it makes sense to sell that home and build another home somewhere else where it might be more suitable or we need some more public housing properties or we need a particular type of public housing property. That happens as a BAU, just in managing the resource. But the 1,000 public housing properties is part of the government's commitment for 5,000 new public housing community and affordable homes by 2030.

**MS CARRICK:** Is the cost to deliver all that in the budget? If you do not have a plan to know whether they are purchases or sales—how that is all going to be done—how do you know it is all in the budget?

**Ms Berry:** When the budget is released there will be some information, I guess.

**Ms Shields:** The BAU activities outside of Growing and Renewal, which has been the program now for quite some time, will be within Housing ACT's budget and then the 13,200 is obviously subject to future budget announcements.

**MS CARRICK:** This next question could be similar to Jo's. Do you look at the future population forecast? Do you say that, if you have a population of 500,000, 750,000 or a million, 10 per cent, 12 per cent or 20 per cent of those will require public housing?

**Ms Berry:** Yes, we do, broadly speaking. But public housing in the ACT is different to how it used to be 50 years ago. We now have affordable rentals available and community housing. Community housing did not really exist. We now have an increased number of community housing over the last, I do not know, decade as community housing providers have been entering the market and providing affordable rentals to people on a different part of the income level. But all of those kinds of calculations are taken into account when we make a commitment like the one that we have made—yes, to meet the needs of our community, but also can we actually build them? Do we have the workforce in the ACT to build the number of homes that we want to provide for our community in that 5,000 number that the government has committed to.

**MS CARRICK:** I guess like the community housing, the CHP, all the different types of housing come together to meet the need of the community. So it is like whether we have a general idea of what per cent of the population requires housing support.

**Ms Berry:** I think that is changing. We can see that—right?

**MS CARRICK:** Yes, as the cost pressures increase—and a war and all that.

**Ms Berry:** When you take into account those calculations, even like pre-COVID, they might have been different to what they are now, because people are living under very different circumstances. We are seeing increasing and continuously increasing numbers on our public housing waitlist. That is not going down. We are seeing that across the board with community and affordable rentals as well. But we are also seeing an increase in the number of public housing community and affordable rentals that we are building, which we have not seen before in our city.

Our commitment is 5,000. That will meet the needs of people in our community between now and 2030. That does not mean the numbers are going to change and everything is going to be great and we are in sort of utopia. We will have to continue a program of supporting people who need that support in housing going forward. That is what we think we can build now to 2030 and then whoever is doing it in 2030 or before then will make commitments to meet the needs of the community.

**MS CARRICK:** Is there any capacity to ramp it up and to have some agility where the pressures come on quickly—like the cost of living and what we are experiencing now? Is there any agility in the system to ramp it up?

**Ms Berry:** Sometimes I guess that is possible. Housing ACT and the government take advantage of opportunities where we can purchase land or homes that have already been built or are off the plan, off the market. That has been the case through both the previous Growing and Renewal Program and will be the case in the 1,000 homes for public housing that we deliver and probably within the community housing space as well. So there is an opportunity to look at things that might come onto the market that might be suitable for us. But there are also outside impacts that also interfere with our ability to build.

That previous Growing and Renewal Program was impacted by COVID. It was actually delayed. We would have been finished this program had we not had a war in Ukraine overseas; had we not had La Nina rain and wet weather issues; and had we not had a problem with supplies and workforce capacity—and, of course, COVID, an international health pandemic, put a hole in everything. We are now seeing a situation arise overseas which could have an impact on this current development of the 5,000 homes that we are trying to deliver. We are already seeing an impact in supplies and a rising cost because of petrol. All of those things can impact us and are out of our control. But there are some things where we can take opportunities—for example, a builder has some units on the plan that he or she needs to sell and they can meet the needs going forward.

**MS CARRICK:** I wanted to ask you about that. There are a lot of towers with empty apartments in them. I know a lot of builders do not want to have community housing in the towers or maybe the government does not want to get involved with strata because of the uncertainty of the costs of strata, which can go up and down. What is the government's view on buying apartments?

**Ms Berry:** We do.

**MS CARRICK:** We do? Is that happening more and more, because there are empty ones out there?

**Ms Berry:** It just depends on the circumstances. It is an additional cost to Housing ACT when you are in an apartment and have to pay strata fees. So that needs to be taken into account. We also take into account whether it meets the needs of our tenants. Sometimes it is perfectly suited to our tenants, but sometimes it is not. Those are all the things that are considered through the BAU work of Housing ACT in general in meeting the needs of the waitlist and existing tenants within the system.

**MS CARRICK:** There are still some Mr Fluffy blocks out there that the residents want to sell. Can they be purchased?

**Ms Berry:** We did purchase some of those.

**MS CARRICK:** I know you did, but there are still some out there. Do you look at the ones that people want to sell and give the market rates for? Some of them are big blocks.

**Ms Berry:** Under the previous Growing and Renewal Program, or the one that we are completing now, we did purchase I cannot remember how many. We could take that on notice, but we did purchase—

**MS CARRICK:** Can you tell me if you are willing to purchase the remaining ones that the owners want to sell?

**Ms Berry:** It would have to depend on the block and where they are.

**MR COCKS:** We have a good one in Lyons—a lovely suburb.

**MS CARRICK:** There is a beautiful big one in Lyons.

**Ms Berry:** We have a lot of public housing in Lyons.

**MS TOUGH:** I am surprised no-one else has asked this question. I wanted to ask about the public housing debt. It features fairly prominently in Mr Eslake's report that came out today. I just wanted to know the work that is done with the federal government to advocate to waive the debt.

**Ms Berry:** I have in my whole time as Minister for Housing been advocating to every other housing minister or other person responsible in the federal government—and I know the Chief Minister has as well. We continue to do that. As it is getting smaller, it is becoming, I guess, not as much of a priority. But only a couple of months ago I asked publicly for it to be reconsidered. I think we have to keep doing that. As it gets smaller perhaps it becomes more affordable for the federal government to waive that for us. I had always hoped that that would have been waived and we could have used that to build more public housing. We will just keep on asking. But neither the coalition government nor this government have seemed willing to waive that for us.

**MS TOUGH:** At the current rate, how long will it take for that to be paid off?

**Ms Hall:** It is a 40-year fixed loan, from memory. It is bound by those fixed terms.

**MS TOUGH:** How long have we got until—

**Ms Hall:** I can look that up.

**MS TOUGH:** Thank you. On public housing and historically inheriting a lot of dwellings from the commonwealth government when self-government came on, obviously there has been a lot of work done on new dwellings, but what is the average age of dwellings?

**Ms Shields:** I would have to take that on notice; I am not sure.

**MS TOUGH:** Thank you. It just sparked when we were talking about the age of schools.

**Ms Berry:** We did have some of the oldest housing stock in the country prior to the current Growing and Renewal Program that we are going through now. With a 10 per cent change in our stock through this program and then another 10 per cent through the 1,000 that we have committed to build, around 20 per cent of our stock will have been renewed or new homes added to the portfolio.

**MS TOUGH:** On the rising costs of building infrastructure, what impact is that having on Housing's ability to build new housing or to significantly renovate older stock?

**Ms Shields:** It will have an impact. As the minister has said, petrol price increases and access to all sorts of supplies and services will impact not only the build of new properties but also the repair and maintenance of existing properties. Some of that might be quite aged, although we do work quite hard to keep those in a reasonable state regardless of their age. It would be really difficult to quantify what sort of impact it will have, other than to say we will have to keep monitoring that as we move through the program and work on what we can control on our side and how we can take the opportunities that arise as best we can.

**MS TOUGH:** Ms Hall, you look like you wanted to say something.

**Ms Hall:** On the housing debt, it is forecast to be fully paid by the end of June 2042. It commenced at self-government—so longer than 40 years ago.

**MS TOUGH:** So it still has a fair while to go.

**THE CHAIR:** I might just dig into that. I think we have paid \$202 million in interest on that \$100 million debt. What will we have paid when it is paid off? What is the interest that we are going to be paying to our federal government by the end of that period?

**Ms Hall:** In total, over the life of the loan?

**THE CHAIR:** Yes, in total on that \$100 million debt.

**Ms Hall:** It was two hundred and eighty or something when it started—so about \$367 million.

**THE CHAIR:** So we will be paying \$367 million in interest on that debt?

**Ms Hall:** Over that period since self-government.

**MS TOUGH:** And that is just interest?

**THE CHAIR:** Just interest. And the original debt was?

**Ms Hall:** Two hundred and ninety-odd million.

**THE CHAIR:** And we have no ability to do anything about that if the federal government does not choose to change the terms or waive the debt?

**Ms Hall:** There is no provisions allowing for early payment. That has been part of the negotiation, and it affects interest rate as well. Those are the terms.

**THE CHAIR:** We have some federal funding in HAFF round 3. We do not yet know what we will be getting in the ACT, but I understand quite a lot of bids have gone in—which is great. Is there a round 4 or is HAFF now finished?

**Ms Hall:** HAFF round 3 is it, as far as we understand.

**THE CHAIR:** What is next from the federal government on funding for public and community housing given that round 3 is now and that is finishing?

**Ms Berry:** I do not know. You will have to ask them what their plan is going forward. But I think what we will have now will be a significant pipeline in the ACT of housing in that 5,000—

**THE CHAIR:** From round 3?

**Ms Berry:** Or from all the contributions that the federal government has made, unlike anything we have ever seen before. Obviously, we would always want more and continued, but what we have got now I think will keep everybody quite busy in delivering on that 5,000 home commitment in the ACT. I think we will meet that very easily with all the HAFF contributions.

**THE CHAIR:** I went looking for it in the federal budget. I was expecting that budget to sort of say what would come next. I assumed the federal government would continue to fund public housing. I was surprised that HAFF round 3 just ended and there are not any discussions. So your discussions with the commonwealth are that that is the end and there is no more funding?

**Ms Berry:** We will always advocate for more funding, but I have not heard the federal government has made any decisions for anything further than HAFF 3.

**Mr Engle:** There are other funding lines that come through the first home buyers.

There are other components that come through that might be worthwhile quickly going through.

**Ms Hall:** One that was announced in the commonwealth budget was the \$2 billion Housing Support Program—a local infrastructure fund. That is one that we will actively participate in.

**THE CHAIR:** I did see that one. The Queensland government made a fairly significant announcement that they were going to get \$2.4 billion out of that.

**Mr Engele:** It is only \$2 billion.

**Ms Hall:** It is just \$2 billion total—so I really hope that is not the case.

**THE CHAIR:** They have a press release saying that funding will provide for enabling infrastructure such as road and sewerage upgrades. Are we talking about the same thing?

**Ms Hall:** Yes.

**THE CHAIR:** I think Queensland government have announced that they are doing matched funding—so the Queensland government and federal government to leverage.

**Ms Berry:** That could not be the case, because nobody knows what they are getting yet, do they?

**Ms Hall:** No, and \$1.2 billion would still be—

**Mr Engele:** It might be the total. They may be referring to the total value of the works as opposed to what they are receiving.

**THE CHAIR:** I do not know. I am not going to ask you questions about their press release, but it says “\$2.4 billion deal between the Albanese and Crisafulli governments to deliver more than 51,000 homes”. That is what they have just put out.

**Ms Hall:** Is that potentially the 100,000 homes—the first home buyers program?

**THE CHAIR:** That may be part of it and also the infrastructure.

**Ms Hall:** That is one that the ACT government is also participating in.

**THE CHAIR:** Excellent. What will we get under that?

**Ms Hall:** It is \$200 million of concessional loans and \$50 million in grant funding.

**THE CHAIR:** That is great. Is the ACT affordable housing project fund going to continue?

**Ms Hall:** We are still in the process of delivering houses through that and progressing projects. There is a pipeline of over 800 projects underway. We are estimating to have a good proportion of those with agreed deeds by the end of the financial year, which is

fantastic news. At the moment, we do not have any planned additional rounds to be run, but we are looking at options.

**THE CHAIR:** But the affordable housing project is due to end at the end of this year?

**Ms Hall:** We are working through the delivery of projects funded through it. We are looking at having roughly 85 per cent of projects with agreed deeds in place by the end of this financial year, which is great. That is the focus of delivery. The funding flows from that will be over, in some cases, in 15 plus years.

**THE CHAIR:** If 85 per cent is going delivered by the end of this year, I am trying to work out what ACT government is—

**Ms Hall:** The deeds negotiated—so entered into formalised deeds.

**THE CHAIR:** Okay. How long does that take? What are the next steps in that process?

**Ms Hall:** It depends on the complexity of the construction, but generally a year or 18 months. Proponents have to go through a range of things. Often they are using their own land, and so they have to go through a range of changes to that land. It might require a major plan amendment or it might require a “de-concessionisation” process. Obviously, the development application and community consultation process can take a while. For some projects, that is quicker. Others can be longer, depending on it. But, generally, 18 to 24 months tops would be standard.

**THE CHAIR:** Eighteen to 24 months. So could we expect the government this time next year to be able to tell us what is coming next? There is a bit of forward planning when you are working out these things—right?

**Ms Hall:** Yes. The other thing I would add on that front is the LVC reductions for social and affordable housing provides a similar structure and a similar ability for proponents to put forward applications with funding support. So that is very similar in nature and that is something that is ongoing.

**THE CHAIR:** Okay; thank you.

**MR COCKS:** I want to ask some questions around the forward estimates and where things are heading. Firstly, do you have a list of programs in Housing that are expiring over the course of the forward estimates, or can you provide that on notice?

**Ms Berry:** Sorry; what do you mean?

**MR COCKS:** You have spoken a bit about programs that have an end point. So anything that ends—

**Ms Berry:** Like HAFF 3 for the federal government?

**MR COCKS:** Where there is a budget provision that ends over the course of the forward estimates.

**Ms Shields:** Maybe Growing and Renewal.

**Ms Berry:** Growing and Renewal would be the only one.

**MR COCKS:** That is the only one? There is no other? You do not have any other on and offs the way Education has things coming on and off?

**Ms Berry:** I am not sure I quite understand your question.

**MR COCKS:** Do you have any programs within Housing that use lapsing or terminating funding arrangements—things that are not ongoing.

**Ms Berry:** I do not believe so.

**Ms Shields:** None that we are ceasing—other than Growing and Renewal, which will come to its conclusion during that time.

**MR COCKS:** One of the things we have touched on is the aging infrastructure. I am wondering whether in the forward estimates there is provision to eliminate the maintenance backlogs that we have talked about at different times in Housing.

**Ms Berry:** The budget will be announced when the budget is ready.

**MR COCKS:** No, in the current forward estimates—for the year that we are currently in.

**Ms Berry:** The current budget?

**Ms Shields:** Not specifically, other than in midyear this financial year we received additional funding to support the vacant properties and to get through some of the backlog in that space. But not specifically for aging infrastructure, no.

**MR COCKS:** So that is some of the properties. Is it enough to cover the full need? I am trying to it work out. With what sounds like a housing stock that is getting older, you are likely to have ongoing and, as they get older, increasing needs for maintenance, and we have already got a backlog. Is the money that you have in the budget now enough to deal with the problems that we are potentially going to face there? Will it be enough to get it done?

**Ms Berry:** The funding that we have been provided with to restore some of the vacants—and sometimes that can change depending on the level of work that is required on the vacant; sometimes it is just a lick of paint, but sometimes it is a significant upgrade—was how many million?

**Ms Shields:** I think \$13 million.

**MR COCKS:** Is that ongoing funding?

**Ms Shields:** No, that is one-off.

**MR COCKS:** That is what my first question was—those budget allocations that are short-term funding for specific things. You have just identified another one which is not ongoing funding.

**Ms Shields:** Sorry; when I say it is not ongoing funding, there is—

**Ms Berry:** That is not a program.

**Ms Shields:** It is not a program, but it is also subject to budget announcements for the future years as well.

**MR COCKS:** This is the heart of the question I am trying to get to. So future years are going to need more money, which adds to the budget amount that would be needed to achieve.

**Ms Hall:** What I would just add is that, between the public housing renewal program that occurred in the 2010s and the Growing and Renewal Program, there has been a significant renewal of stock—over 2,000 properties over 10 years. I do not have the exact number, but it is—

**Ms Berry:** Around 20 per cent.

**Ms Hall:** Yes, around 20 per cent. That is a big part of the strategy too—to make sure that there is a whole scale lifecycle renewal of properties and that properties that have come to sort of end of life are the ones that are renewed through that process.

**MR COCKS:** So, by the end of the forward estimates, we will have no more problems with houses that need renewing?

**Ms Berry:** No; we go through a budget process and get funding to do repairs and maintenance for homes. Part of the repairs and maintenance work is to address the issues that we had around aging housing that we had. We will have renewed around 20 per cent of our public housing property, which will have an impact on repairs and maintenance. But, like any home, the amount of money that is required to keep a home maintained and repaired over the years can be a bottomless pit. I think we make the best estimate that we can that we have got the funding right and the amount that we need to make sure that homes are repaired, maintained and fit for purpose and people are living in good homes. But that will always have to be sought, because every budget will need to seek additional money and funding to do the repairs and maintenance program.

**MR COCKS:** Hopefully with the Chair's indulgence, I am going to try one more time. There was money that was announced in a budget for extra funding for maintenance that you have just been discussing. What do you call that, if not a program?

**Ms Shields:** It forms part of our business-as-usual activities. It comes into the repairs and maintenance program, which is a business-as-usual process.

**MR COCKS:** Is it a budget measure? What is it?

**Ms Shields:** Specifically, on its own, repairs and maintenance.

**MR COCKS:** What I am trying to find out about those budget decisions that are made. The things that land in the budget papers are generally either ongoing funding, where an increase will just continue on through and then eventually be indexed out beyond the forward estimates, or they are a specific amount for a specific length of time. I am trying to find out how many of those things that you have on the books are just for a specific length of time, how many of them are dropping off and what are they?

**Ms Berry:** None of them.

**MR COCKS:** But you have just said that there is one that is a—

**Ms Arthy:** I think, Mr Cocks, if I can help here, where we are struggling a little bit is that we have an ongoing program for repairs and maintenance. Some of that is allocated to preparing vacants. We get topped up every now and then because of need. It does not mean that it is a separate program that is time limited; it is about topping up our ongoing long term, and it happens regularly. So it is not something that we can say—

**MR COCKS:** That is what I am trying to find out. So it tops up and then it continues at that level?

**Ms Arthy:** Or it comes down and it gets topped up. It is based on need. It is based on the need that we have at the time. Sorry; I can see that we are frustrating you.

**MR COCKS:** Very much so.

**Ms Arthy:** It is how we look at the funding that we get from government in this area, because it goes up and down depending on the need that we have. It does not mean that there is a short-term funding program that stops and we do not get any more; it is just where, as we need it, we get topped up and then it comes off again.

**Ms Berry:** Growing and Renewal is one, I think, which we can say will finish.

**MR COCKS:** Because it is a program, yes.

**Ms Arthy:** Yes, that is right.

**Ms Berry:** And the thousand homes will finish. But, for the ongoing repairs and maintenance—which is just the work of Housing ACT or ICDR, that just continues on as the management of the asset.

**MR COCKS:** Okay; I do not think we are going to get anywhere further.

**THE CHAIR:** On behalf of the committee, thank you for your attendance today. If you have taken any questions on the notice, please provide your answers to our secretariat within five days of receiving the uncorrected proof. Thank you to our witnesses who have assisted our committee with experience, knowledge and time. Thank you, Broadcasting and Hansard.

**The committee adjourned at 5.35 pm**