



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2018-2019

(Reference: [Appropriation Bill 2018-2019 and Appropriation \(Office of the Legislative Assembly\) Bill 2018-2019](#))

Members:

MR A WALL (Chair)
MS T CHEYNE (Deputy Chair)
MS C LE COUTEUR
MS E LEE
MS S ORR

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 29 JUNE 2018

Secretary to the committee:
Mrs N Kosseck (Ph 620 50435)

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	1041
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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

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

Environment, Planning and Sustainable Development Directorate

Ponton, Mr Ben, Director-General

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

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

Phillips, Mr Brett, Executive Director, Planning Delivery Division

Fitzgerald, Mr Bruce, Executive Director, Urban Renewal

Flanery, Ms Fleur, Executive Director, Planning Policy Division

Simmons, Mr Craig, Chief Operating Officer

Tennent, Mr Simon, Acting Director, Land Development Projects

Wilden, Ms Karen, Director, Engagement and Executive Support

Kaucz, Ms Alix, Senior Manager, Territory Plan, Planning Policy Division

Chief Minister, Treasury and Economic Development Directorate

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

Jones, Mr Greg, Director, Workplace Protection, Access Canberra

THE CHAIR: Good morning, everyone; welcome to day 11, the last day of estimates. It seems that Minister Gentleman and the planning directorate have drawn the short straw, having to endure us as we hit peak delirium on Friday.

MS CHEYNE: OLA will be last.

THE CHAIR: All right; we will save it for the Speaker! As you are aware, Hansard are transcribing and broadcasting today's hearings. If you are taking any questions on notice, could you clearly state, "I will take that question on notice." That makes Hansard's and the secretary's job a little easier in keeping track of what you owe us at the end of the hearings.

I am guessing that there is no opening statement, minister; you have done reasonably well so far. I will kick off with a question on output class 5.1, the loose-fill asbestos eradication scheme. Could you please outline for the committee the buyback process for the remaining 15 impacted properties, or what the government's policy is in dealing with those properties?

Mr Gentleman: Yes, indeed. It is a little more difficult, probably, as we get to the end of the asbestos eradication scheme, but it is important that we do as best we can to remove loose-fill asbestos from the Canberra community. You would be aware of the history, of it, of course. In the early 90s there was a move to remediate some of the houses. That was not the best outcome, so in that process the government made a decision to remove loose-fill asbestos and implement the asbestos eradication scheme. I will ask directorate officials to give you the details of the plan for those last 15.

Mr Rutledge: I will ask Mr Fitzgerald to add to my answer, but the process has not changed for the remaining homes. The process is still the same. The properties were valued as if they were asbestos free at a point in time, and that offer has been made to them.

What we have seen throughout the program is that people have dealt with it in very different ways. Some have deferred taking the sale and the demolition and pushed it back to the end of the scheme. Some were early adopters and have moved on. A small number took up first right of return and have returned to their property and rebuilt on their land.

As the minister said, some of the impacted properties are a little bit more complex—in townhouse developments, where one, two or three of a group of townhouses have been impacted. That is where we need to take a more bespoke or individual approach and work with not just the affected home owners but those that live on either side and in some cases the body corporate as well. The financial transaction is still the same, in that the offer was made as it was back then.

THE CHAIR: My understanding is that there are a number of property holders who have chosen not to enter the buyback scheme. What is the policy on managing or handling those leases going forward?

Mr Rutledge: If they remain in their dwelling, they need an asbestos management plan in place, and we are working with them. Some have decided not to be part of the buyback scheme and have individually gone out and sought their own demolition. Once we are sure that the demolition has occurred in a safe way, we deregister those properties; so we take them off the list.

THE CHAIR: The issue specifically is: with those that have not gone down that road, and still remain in a contaminated property, how is government going to handle them? If the owners exercise their right not to surrender their lease or enter the buyback scheme, what is the government's policy going forward as to how you manage those leases?

Mr Rutledge: The focus has always been on safety—safety of the residents and safety of the community. At the moment we are asking them to put in asbestos management plans, which is about how they are going to handle notifying any people that come onto their site—any tradesmen that work with them. That is the process we are going through at the moment.

MR COE: What are you actually going to do? If somebody does not participate in the scheme, come 2020, what is the government's approach going to be?

Mr Gentleman: Mr Coe, it is a hypothetical question—

MR COE: No, it is a real scenario.

Mr Gentleman: Come 2020; yes. It is something that we need to work through, I think, with those particular home owners. There is also work that government is

doing internally to see what processes we could put in place.

MR COE: Are you working on resuming the leases?

Mr Gentleman: Not at this stage.

MR COE: Therefore people will be allowed to stay in place, then?

Mr Gentleman: That is something that government and I are working on. We will have a look at that. The main thing, of course, is to ensure safety for the Canberra community.

MR COE: But this has been a live question for a long time. The scheme is now years old. You must have worked through this scenario. What are you actually going to do in two years time if somebody says, “No, I’m not budging”?

Mr Rutledge: Mr Coe, as the minister said, there is still some time to work with those residents. The buyback scheme has always been a voluntary scheme. As we have seen, there has been a large take-up of that voluntary scheme. The position remains that we think demolition is the only lasting option. The government has created a voluntary scheme which most of the householders have participated in, and we are working through those.

For those that are not participating, we are again looking to safety first. At this stage they remain as a registered property, as one that has loose-fill asbestos in it. There is an asbestos management plan that they need to have in place for anyone doing that. I do not think we can speculate about what will happen in 2020.

MR COE: It is not speculation; it is a policy decision, isn’t it?

Mr Rutledge: The focus is on safety, and the asbestos management plan we have put in place is to manage the safety of both the residents and visitors to those homes.

THE CHAIR: Is compulsory acquisition an option that the government is going to consider?

Mr Gentleman: All options could be considered. At this stage there has been no decision on that.

MS LE COUTEUR: Do you think the decision will be different depending on the circumstances of the owners?

Mr Gentleman: It could well be, yes.

MS LE COUTEUR: For instance, if the owner is of a considerable age, would it be a different situation from that of a younger owner?

Mr Gentleman: Certainly. These are the conversations we need to have with those owners that have not entered the scheme, and that is the work that needs to be done between now and 2020.

MR COE: What new information is actually going to come to light in the next year or two that is going to guide your policy process? I cannot imagine what you are going to gain in the next year or two that you do not already know.

Mr Gentleman: The views of the home owners, Mr Coe.

THE CHAIR: I would imagine that you have already got a clear view of what the home owners—

MS LE COUTEUR: I think you already have the views of the home owners.

MR COE: I think it would be pretty clear, for the people that are not participating.

Mr Rutledge: The other thing, for those that are not participating, is that we have seen a number of them do private demolitions. I will ask Mr Fitzgerald to give an exact number, but at least several have taken advantage of the tip fee waiver and taken their own choice. They have not been part of the scheme, and privately they have taken the decision, at a time of their choosing, to do private demolition. They have come to the task force and we have provided them with a tip fee waiver. They have taken their own decision.

MR COE: I understand that, but, as you well know—and that suggests why you are being so elusive—there is a high likelihood that there are going to be some people that, come the deadline, are not going to participate in any of the options that you have laid out. Surely, you have a plan for how you are going to deal with those households?

Mr Ponton: I might make a comment, Mr Coe. The focus until this point very much has been on dealing with the majority. As my colleague Mr Rutledge indicated, being a voluntary scheme, we have had a large number of people participate. We always knew that, as we got to those remaining few, that was going to be more challenging. We do have until 2020, and we will continue to work over the next year or so to determine the best course of action.

We have heard this morning that there are a number of options that could be considered, but we need to be very careful, as we work through each of those options, to ensure that we fully understand the consequences of each of those options. Rather than give an answer today on what may or may not be the best course of action, we will continue to do that thinking over an appropriate period of time.

MR COE: What is that time line?

Mr Ponton: The deadline is 2020, so I expect it certainly would be well before then.

THE CHAIR: Whilst we are on properties that are not part of the scheme, with the commercial properties that have been identified as containing Mr Fluffy, how are they being handled to date?

Mr Ponton: I might ask our colleague Greg Jones to join us at the table.

Mr Jones: There are two identified commercial properties which had loose-fill asbestos. There was a childcare centre in Aranda; that has been successfully and safely demolished and a clearance certificate has been issued. We understand that block is ready for or in the process of redevelopment, so that is basically complete.

There are the Ainslie shops. Historically, as you would probably know, loose-fill asbestos was installed in the ceiling cavity of unit 1 at a particular block of the Ainslie shops. Over a period of time that loose-fill asbestos has migrated into the two shops next door, which are numbered 3 and 5, out of a block of 1, 3, 5 and 7. It had migrated into the ceiling space of units 3 and 5.

WorkSafe, a number of years ago, put on a prohibition notice for the use of the upstairs area of block 1. Testing revealed some loose-fill asbestos in that area. All other areas that were occupied were free of any asbestos fibres, and, with ongoing testing under an asbestos management plan, we were quite comfortable and confident that they were safe to occupy and continue to be so.

With extensive liaison and discussions with the building owners—and there are two owners; one individual owns unit 1, and another individual owns units 3, 5 and 7—we came to an arrangement where, first of all, the loose-fill asbestos which was still installed in the ceiling of unit 1 needed to be appropriately removed by a licensed asbestos removalist. That was done in March last year. So that was done, and a clearance certificate was issued for the asbestos in the ceiling cavity of unit 1.

More recently, with further negotiations, a hygienic cleansing occurred by licensed removalists for the small amount of loose-fill asbestos that had migrated into the ceiling cavity of units 3 and 5. That has now been completed. There were some structural issues with the roof over units 3 and 5. Again, through a period of negotiation between WorkSafe, heritage and the various owners, an arrangement was made where the owners have collectively come up with a plan, which was endorsed by WorkSafe, to replace the roof at the same time as hygienically cleansing all the roof cavity space. They took the opportunity to do some remedial work in that roof in terms of electrical, guttering, eaves and that sort of thing.

I believe that, as of today, the last bit of scaffolding is being removed from around the Ainslie shops. The roof work has been completed. All the other remedial work has now been completed and I am expecting a clearance certificate to be issued. We will then negotiate with the owners of unit 1 for the lifting of our longstanding prohibition notice on the upstairs area of unit 1 for occupancy, with a continued, ongoing asbestos management plan for those units. As long as it goes well today, and weather permitting, the Ainslie shops will be pretty well back to normal as of this weekend.

THE CHAIR: Has a time frame been put around the demolition of those buildings?

Mr Jones: No, there has not, because we are guided by expert advice from asbestos assessors. There is a requirement for an assessment to be done of those units at a frequency which starts off, I think, at every six months; then, assuming they are all clear, and based on advice, we will probably allow those to push out to 12 months. We will then be guided by the advice of the assessors and the results of those ongoing assessments on what the long-term future of that area of the precinct is.

THE CHAIR: Why is there an inconsistency in the view of looking to manage the situation on the remaining commercial property as opposed to the approach that was taken for residential properties?

Mr Jones: I do not think there is any inconsistency. The ability to occupy under an asbestos management plan for the short to medium term is consistent.

THE CHAIR: What do you consider to be short to medium term?

Mr Jones: That depends on the particular property. It depends on—

THE CHAIR: There is one property in question, Mr Jones.

Mr Jones: Yes. It is about the state of the property. Without the remedial work done on the roof at Ainslie, that short to medium term, I would imagine, would have only been a couple of years. With the structural work that is being done, that short to medium term could be five years or it could be longer. That will depend on the expert advice that we get from the assessor with the ongoing monitoring. In terms of how they are managed, in terms of the remedial work that needs to be done, the two schemes are perfectly consistent.

THE CHAIR: Going back to the residential blocks, minister, how many blocks have sold at less than the right of refusal price that was offered to the original owner of the property?

Mr Rutledge: With the first right of return offer, none have sold below that price.

THE CHAIR: How many have sold at that price?

Mr Rutledge: I might have to ask Mr Fitzgerald to assist me on that one.

Mr Fitzgerald: I would have to take that exact information on notice. We value each block before it goes to auction, so I would have to take that on notice.

THE CHAIR: Okay. Why are speculators being given the opportunity to buy the properties and onsell them without developing them—that is, building a house on them—when that opportunity was not afforded to the previous owners of the block in the first right of refusal process?

Mr Fitzgerald: Can I clarify that these are blocks purchased under auction conditions?

THE CHAIR: I am not sure whether they were purchased under auction conditions or over-the-counter sales, but it has been brought to our attention that there are a number of blocks that have been bought from government and are now being on-sold as vacant parcels of land. My understanding is that that was expressly prohibited in the first right of refusal arrangements to the initial owners.

Mr Fitzgerald: The first right of refusal requirements required the former home

owners to build and then live there for six months. As part of that, they got an off-market transaction afforded to them, so they did not have to respond to the market and potentially pay a premium to go about that. That is the difference.

THE CHAIR: So they were receiving fewer rights than a speculator coming in to buy their home from them, their former home site?

Mr Fitzgerald: Potentially, they were offered the property without a competitive process; they were offered it at a market valuation, and they did not have to enter into a competitive market process in order to purchase that block of land.

MR COE: Notionally, it was their own home?

Mr Fitzgerald: Yes.

MS CHEYNE: Mr Rutledge, you mentioned that some of the remaining blocks to be demolished are some of the more complex ones, including townhouses and ones that have shared walls?

Mr Rutledge: Yes.

MS CHEYNE: I know there is at least one, but I think at least a few, in Belconnen that people have been raising with me. How does it work? It sounds complex. Even trying to think it through, it sounds complex. What is the plan for those?

Mr Rutledge: We have identified 53 properties, and we call them complex properties in-house, and that is because each of them has a shared wall or they are a townhouse. For each of those we have taken a different approach. For some, there has been engagement at the body corporate level to see what we can do; for others, there has been consideration of the additional purchase of an impacted property, a shared wall property.

Each approach has been very individualistic, and that is where I think the work of the task force has evolved over time. Early in the piece it was very much a large demolition and sales program, whereas now it is really an individual approach, both human services and engineering at times. There is not really a blanket answer until—

MS CHEYNE: So it is on a case-by-case basis?

Mr Rutledge: For our complex properties, it is absolutely a case-by-case basis.

MS CHEYNE: What factors come into play? If they have a shared wall or a shared roof space, potentially does it mean that not just the one property but the whole block needs to come down?

Mr Rutledge: Depending on the level of spread. As we heard from Mr Jones in the case of that commercial property, there was a spread in the roof space. Sometimes it is just a shared garage, so it might mean that only the garage of the neighbouring property is affected; therefore we can safely remove a garage or even replace a garage. There are some cases where consideration is being given to taking over the whole

block, consistent with body corporate support. There will be some tough work over the next couple of years.

Mr Fitzgerald: To date we have acquired 14 impacted properties. These are properties that, for structural reasons or because of proximity to other dwellings, we have decided to purchase to make that demolition process easier. As Mr Rutledge said, some of that has involved an entire string of properties, and we are looking to demolish the entire string.

MS CHEYNE: I want to talk more generally about progress and in particular some of the accountability indicators on page 24 of the budget statements. Why, this year, is our estimated outcome lower than the target by not quite 50?

Mr Rutledge: You are looking at “demolish affected dwellings”.

Mr Fitzgerald: It is actually a good news story, if you like. When we set the 2017-18 target, we were unaware how many properties we would have demolished as part of the 2016-17 program. We actually over-achieved as part of the 2016-17 program. A lot of those properties were not demolished in 2017-18; we had brought them forward because the program had progressed faster than we had expected. At the time that we set the 2017-18 target there was still some ambiguity around when we would demolish them. Some of those properties were demolished in June 2017.

Mr Jones: This has come about because of the learnings from those contractors that we have engaged to do the demolition work. As they have gone along the process, they have learnt about how much more efficiently they can do this. Therefore we have been able to achieve a better result than expected.

MS CHEYNE: Often, when there are good news stories, there is a footnote explaining it. I will not make that a recommendation, but perhaps if there is an anomaly like that in future—

Mr Fitzgerald: It certainly will appear in the annual report as a footnote.

MS CHEYNE: I will keep an eye out for that, Mr Fitzgerald.

Mr Rutledge: It will be a chapter now!

MS CHEYNE: In terms of the targets for 2018-19, I appreciate that this is complex because of the complex cases, as well as the remaining properties that are not part of the program at this stage. What is 21 as a percentage of the overall figure of what is left?

Mr Fitzgerald: We have roughly 100 properties left. If you were to use that as a percentage, it is one-fifth of the properties.

MS CHEYNE: Four-fifths are not being reflected there?

Mr Fitzgerald: Yes. That reflects that we have a number of households that have deferred until 2020 for their settlement date. This is for the properties that we will

have surrendered this year, plus properties that we are working through that are complex, and we are still working through the development application process so that we can progress to demolition. It is a mix of the existing households that we had purchased previously and the more complex ones.

MS CHEYNE: Is it possible, on notice, to get a breakdown of those four-fifths?

Mr Fitzgerald: Absolutely, yes.

MS CHEYNE: So that I can see it on paper. I am more of a visual person.

THE CHAIR: Have any payments been made to the home owners who have deferred settlement until 2020, or towards the end of the scheme, prior to that settlement?

Mr Fitzgerald: We will make financial assistance payments to them if requested. Where our personal support team are in constant contact with these households we offer them wideranging support. If they come to us and request early access to their financial assistance grants then we do consider that.

THE CHAIR: But as far as funds that would be typically made payable at the settlement of property, none of those are becoming available prior to settlement?

Mr Fitzgerald: No.

MS CHEYNE: With the complexity of a lot of those remaining properties, are we going to finishing by the date we said we would finish?

Mr Rutledge: The scheme is set for 2020. Our goal is to get it all done by then, of course. But there are, as outlined, some of those more complex properties which we will know more about as time goes on. Where there is a small extension for those remaining complex properties we will take advice to government closer to the time.

Mr Fitzgerald: And also the consideration for us is that with the 2020 surrender date we cannot demolish them the next day. There is a period post that date where we will go through demolition. The last property that the ACT government actually acquires may not be demolished until 2021 as we go through the DA and demolition processes.

MS CHEYNE: Is there a risk, given some of the complexity of the remaining properties and what you mentioned about potentially having to buy big chunks of property and property with adjoining walls, that we could be overspent?

Mr Gentleman: We are not overspent already. The cost of the scheme means a cost to the Canberra community. We achieved some efficiencies, as I said, in the demolition process and through sales as well to limit the cost to the Canberra community. But that will vary a little. If we can keep within the target I think that would be a good outcome.

Mr Fitzgerald: I mentioned that there are impacted properties in strings that we are looking to acquire. It is also important to note that the majority of those we have already acquired as part of the scheme. There are 14 properties which we have

identified as impacted and which we have acquired. I do not see a scenario where we have to purchase entire unit complexes. This is on a case-by-case basis from this point on.

MS CHEYNE: I am thinking about townhouse complexes and where there are strings. It is not like we can then sell that little parcel of land and make a good profit off that if it is part of a broader body corporate?

Mr Fitzgerald: That is right.

MS CHEYNE: In terms of recovering that cost, that is the challenge I am thinking through.

Mr Fitzgerald: Dealing with the body corporate and making sure that they are comfortable with whatever proposal we are putting forward is key. If we do not actually win that conversation then there are huge complexities to actually fulfilling the scheme's objective.

MS CHEYNE: The estimated outcome versus the target for the sales this year is not exact. Is it really going to be exact?

Mr Fitzgerald: We are always optimistic. Sales have always been a difficult thing to predict.

MS CHEYNE: I thought there was some that were not selling. I was surprised to see the figures reflect each other.

Mr Rutledge: Yes. It has always been an eradication scheme, not a sales scheme. We have offered, as I said, the first right of return and then a public auction and then an over-the-counter with a reserve price equal to the valuation. It has been incredibly difficult to predict the sales. Some have sold quite quickly; some have sold, I suppose, at above the value price and some have remained on the market for some time. We do expect those numbers to line up. Maybe we guessed right.

MS CHEYNE: I know that there were a handful of blocks that now belong to Housing ACT. Did they purchase the blocks or were they given to Housing ACT?

Mr Fitzgerald: They purchased those blocks. There are five blocks that Housing ACT have purchased.

MR COE: Minister, you said there had been an overspend in the scheme. What overspend is that?

Mr Gentleman: No, it is not an overspend. There is a cost to the community in the whole scheme. Originally we had a budgeted amount that we had borrowed from the federal government. We estimated a cost to the Canberra community of about \$400 million at the end of that, but there has been some efficiency. It may well come under that.

Mr Fitzgerald: That is right. It is not going to be an overspend at all, is it?

Mr Gentleman: No.

Mr Rutledge: I suppose, with the efficiencies gained, as the minister said, the cost per demolition has actually come down over time as industry has got better and more skilled and more efficient. At the moment the net cost to the community is going to be, we predict, \$295 million.

MR COE: Given that improvement, why is it that you are not making faster repayments to the commonwealth? Why is it that you are in effect using this credit facility for other purposes within the government rather than just the scheme?

Mr Gentleman: I have not talked to the Treasurer about using it for other purposes. It is there for this purpose. There is a contract arrangement with the federal government and we are going through that process.

MR COE: It definitely is being used for other purposes, because obviously the scheme peaked in terms of outgoings some time ago and now, with all the sales, it is interesting that the repayments are not happening until now, despite the fact that you have already recovered hundreds of millions of dollars.

Mr Gentleman: I will have a talk to the Treasurer about that.

MR COE: With regard to the planning controls on Mr Fluffy blocks after they have been sold—there are stories about trees that have been removed and the like—are any special deals done for people who buy these blocks, especially at auction?

Mr Gentleman: Only in regard to the change in rate to the Territory Plan for those blocks of 700 square metres that could be subdivided.

Mr Ponton: If I could just clarify the language, we do not do special deals for anybody. If there was a need to amend the Territory Plan then certainly we would amend it. There has been an amendment to the Territory Plan. That was a policy decision of government. But if you are asking about the assessment process, absolutely not. We are an independent statutory authority and I have absolute confidence in the people in my team that undertake those assessments.

MR COE: Have there been any anomalies, then, on government-sold blocks with regard to trees that have been removed?

Mr Ponton: Not that I am aware of, but if you would like to bring anything to my attention I am more than happy to investigate any claims or accusations that you might have.

MR COE: For people that do not participate in the scheme, are there going to be ways that they can take up the dual occupancy opportunity?

Mr Gentleman: The change that we made to the Territory Plan was only in regard to Mr Fluffy blocks that the government was dealing with through the task force.

MR COE: How are those blocks actually recorded on the Territory Plan as having additional rights?

Mr Ponton: I might ask my colleague Ms Kaucz to answer. Whilst I do spend a lot of time reading the Territory Plan I have to admit that I do not know every particular clause.

Mr Ponton: Ms Kaucz knows every single word in the Territory Plan.

Ms Kaucz: The provisions they have got for the RZ2 blocks have two parts to them generally. I am trying to think of the actual term. It has a defined term. It is a registered block—I am trying to think—and that has a definition in the back of the Territory Plan that triggers it. That is where it has been listed as part of the scheme.

MR COE: Does the Territory Plan actually have a schedule of every block and section?

Ms Kaucz: The Territory Plan does not, no. It refers to the task force's schedule but it is not mapped in the Territory Plan and the Territory Plan does not specify the blocks themselves. It refers to the list of the task force.

MR COE: Given that this provision lasts further—in perpetuity or at least for the length of the lease—how is somebody going to know that the house next door could have a dual occupancy built? They would never know.

Ms Kaucz: Not through the Territory Plan, no.

MR COE: How will someone be able to know?

Ms Kaucz: Just looking through the list of blocks that were part of the scheme.

MR COE: Is that actually going to be on an instrument forever or not?

Mr Ponton: If you are suggesting that there are improvements that we could make to the Territory Plan that make it clearer, then we are certainly happy to consider that.

MR COE: Sure, but I am still asking these questions. How is anybody going to know that actually that house has these rights and this house has different rights? They could be neighbouring blocks.

Mr Gentleman: That is a good point. I suppose for those that are in the scheme currently, as demolition occurred, all the neighbours around the suburb were notified of that particular block. In regard to notification that it would have different rights, I think the briefings that I have had show that most neighbours are quite aware of what is going to occur.

MR COE: At the moment, but, for instance, if there is a situation whereby there is a house in the middle of two Mr Fluffy blocks and they have a single dwelling built now, at some point in the future they could suddenly find themselves surrounded by dual occupancies that they were not aware of and that could be a second or third buyer

down the track.

Mr Ponton: You have raised an interesting point and there is a simple fix to this in terms of mapping these blocks within the Territory Plan. We do have precinct code maps for every suburb and the reason that we have those precinct code maps is for purposes such as this, where there are provisions within the Territory Plan itself. If we think that there is a need to make it easier for people to find, we can mark on those precinct code maps that there is a particular provision that relates. That is certainly something, as a process issue, that we could explore to ensure that it is easier for people in perpetuity to understand the rules that apply.

MR COE: That would pretty much mean having precinct codes that include the entire suburb, because at the moment precinct codes only include particular precincts?

Mr Ponton: No, we have precinct codes for every suburb.

MR COE: They are for every suburb but they do not include, for the whole suburb, the actual precinct?

Mr Ponton: Yes, they do.

MR COE: They are not aspects of the suburb that include the precinct?

Mr Ponton: No, we have precinct code maps for every suburb.

MR COE: I understand you have got maps for every suburb, but the precincts themselves are usually quite discreet portions of the suburb.

Mr Ponton: But what I am saying is that we can identify them. On those precinct code maps for every suburb, we can map the individual blocks.

MR COE: If you were to do that, does that go against the purpose of the scheme, which was to not have blocks that are identified? These blocks are, in effect, clean and should not be stigmatised forever as being Mr Fluffy blocks.

Mr Gentleman: They come off the register.

Mr Ponton: As I said, I do not think that it is stigmatising. I think that, in terms of where these blocks are or even the ones that have been demolished, it is well known; it is on the public record. What I am doing here, Mr Coe, is exploring with you the opportunities to make it clear what rules apply to what blocks. This is an option that I am putting on the table, but certainly there are other options that we can explore. As I have said, you have raised a valid point and we are always looking for ways to improve the planning system in the ACT and are happy to receive the comments that you have made.

MR PARTON: You have indicated that this is an eradication program, not a sales program, and gone to great lengths to make that clear. We have also heard that the bottom line at the end of this whole process is going to be remarkably better than was originally forecast. Given that, in response to a question on notice during last year's

estimates, minister, you said that the task force were consulting sales agents to explore a range of sales strategies to maximise the return per block. Given the housing affordability crisis that is currently engulfing the ACT, and how far in front of targets we have ended up, why did the task force decide to engage consultants to maximise the price of land sales?

Mr Gentleman: To ensure the cost to the Canberra community was as little as possible. The original target looked at was about a \$400 million cost after the one-point-something billion dollar overall cost for the Canberra community. As you have heard, that has been reduced to approximately \$295 million. It is still a very large cost to the Canberra community, and if we can reduce the burden of that cost to the Canberra community, that is what we should do.

MR PARTON: Do you think it has flown in the face, though, of the rhetoric from the government broadly on housing affordability?

Mr Gentleman: I do not see how the two link. This is a cost to the Canberra community on a scheme to eradicate loose-fill asbestos. If you are suggesting that we could change the terms of the loan from the federal government to move into housing affordability, that is something we could explore. Any assistance from the federal government on housing affordability would be most welcome.

MR COE: Are you saying that the current loan restricts you in selling them for affordable housing, public housing, or other—

Mr Gentleman: No. We have done that. We have sold to community—

MR COE: Why would you need to alter the loan with the commonwealth?

Mr Gentleman: The loan had a purpose, to remove loose-fill asbestos in the scheme.

MR COE: Yes, and that is done.

Mr Gentleman: That is what we are doing.

MS LE COUTEUR: Presumably it did not say you could not sell any of the blocks for affordable housing?

Mr Gentleman: That is correct.

MR PARTON: Given how far in front of the target you are, would it not have been an opportunity in that space?

Mr Gentleman: That is a policy decision that has not been made by government.

MR COE: Obviously it has been made, because you are maximising profit.

Mr Gentleman: In regard to whether we include affordable housing in this scheme.

MR COE: With regard to the sale of the blocks, in particular the marketing of the

blocks, obviously this particular tranche has not gone as quickly as expected. Hence the contract has been extended. What are the reasons for that extension?

Mr Rutledge: It is not that the sales have not gone as expected. The first contract was for a set period of time to run some large-scale auctions, which have all gone ahead as planned. Then the option came. There are still a hundred blocks available over the counter, or just under a hundred. And, as Mr Fitzgerald said earlier, we still have a hundred to go, on rough figures.

Then the question for me or the task force was whether or not we go out to tender to seek a new real estate and marketing strategy or whether we continue one that has worked with us over the previous year. The decision we made was to extend it for just a further six months. We know that we will have at least one large auction coming up, and then maybe a small auction after that. After that, I think the large-scale auctions we have seen run by the firm will be a thing of the past, in that we have sold most of the acquired properties.

Therefore, I think we will probably take a new strategy to sell the remaining blocks. That might just be through local real estate agents. We do not see that we will need a continuation of regular, routine large-scale auctions. So the extension of the contract was most appropriate.

MR COE: Do you think it is unfair to tenderers that lost a year ago that they were not given the opportunity to put in a bid for something that was an 18-month scheme, that would not have the same work pressure and had an opportunity to spread those costs out over 18 months rather than 12 months?

Mr Fitzgerald: The extension clause would have been consistent across the tender outcome. Anyone who had won that tender process would have been granted the same opportunity.

Mr Rutledge: It was 12 months plus 12 months: 12 months definite plus the option of a 12-month continuation. That is what went to market. The contractor that we went with provided superior value for money at that time. Then, at the conclusion of that 12 months, we considered whether a 12-month extension was suitable, a six-month extension or going back to market. We decided to go for a further six months because we knew we had some auctions coming up, enough acquired properties to warrant the same strategy continuing.

MR COE: Have there been any variations to that contract?

Mr Rutledge: Only the extension for six months.

Mr Fitzgerald: That is correct.

MR COE: But that was an extension; that was an option?

Mr Rutledge: Yes. It was a 12 plus 12 option. We pursued a 12. Then the variation, to use your term, is the six-month extension.

MR COE: In terms of the actual outgoings?

Mr Rutledge: No change.

MR COE: You mentioned that there is the potential for remaining blocks to be sold by local real estate agents.

Mr Rutledge: At the moment we go for the large-scale auction and then provide it to the Suburban Land Agency for over the counter sales. If it comes to the point, in going to earlier discussions around complex properties and some of the other things we are facing, we would probably take a different approach to the large-scale auction we have had; we would be looking for different approaches for the remaining properties.

Mr Fitzgerald: I think it is also important to note that the headline figure is always around the auction results, but in the last month we have sold 26 properties over the counter. These properties continue to sell. We are getting good market intelligence as to why people do not want to purchase at auction. The terms are not to their liking. We have an opportunity for people to really choose the blocks that they want to build their next house on. The length of time is not unusual, we believe, for this large-scale real estate process.

MR COE: For those 26 that have been sold in the last month over the counter, has commission been paid?

Mr Fitzgerald: They are paid on settlement.

MR COE: But commissions are paid?

Mr Fitzgerald: Commission will be payable, yes.

MR COE: At what point are they handed over to the SLA?

Mr Fitzgerald: All of our blocks are currently with our real estate agent. At this point, we are not transferring any to suburban land. We have our own over the counter process.

MR COE: If the SLA have the ability to sell over the counter, why aren't you using that arm of government to sell, thereby saving two per cent commission?

Mr Fitzgerald: Sorry, Mr Coe; I misspoke when I said that they went to the SLA. Sorry, that was my error.

MR COE: I understand that, but given we have an arm of government that sells land over the counter, why don't they just get transferred to the SLA to sell over the counter and therefore save many thousands of dollars per block?

Mr Fitzgerald: I am not confident that we could save money via that process. We have delivered value for money in the sales process.

MR COE: What marketing is happening for blocks that are being sold over the counter?

Mr Fitzgerald: Every weekend in the *Canberra Times* we put out a full list of over the counter property available. It has Colliers on the top.

MR COE: Who pays for that?

Mr Rutledge: We would bear that as the task force.

MR COE: So you guys are actually doing the marketing already? What are you paying the agency for?

Mr Fitzgerald: They are the ones that are on the phone; they are the ones following up; they are the ones taking people to the blocks.

MR COE: Isn't that what the SLA do? Isn't that their bread and butter when they are selling over the counter in Taylor or anywhere else?

Mr Fitzgerald: In those circumstances they do commission real estate agents as well.

Mr Ponton: I was just going to add that there is no difference. The Suburban Land Agency would also have agents acting on their behalf. To have the task force as the custodian of the land to transfer to the Suburban Land Agency to do what is currently being done would achieve nothing more than perhaps adding additional administration costs.

MR COE: Can you please take on notice what commission is paid for the Mr Fluffy blocks as opposed to the SLA blocks sold in Molonglo or Gungahlin?

Mr Ponton: Sure.

MR COE: Thanks.

THE CHAIR: We have run a bit over time on the asbestos eradication; we probably should move to output class 1.

MR COE: Can I just ask one quick question, chair. With regard to a board of inquiry, are you satisfied that the territory has all the answers and all the learnings from the past 30 years with regard to this scheme?

Mr Gentleman: The government made a decision to go down the path of asbestos eradication for the safety of all Canberrans.

MR COE: I understand that bit; it is quite separate to that.

Mr Gentleman: I am very confident that the appropriate decision was made, and I am comfortable with the position the government is taking.

MR COE: I understand that; that is done. The board of inquiry would be to ask

questions and, hopefully, get answers on many of the lingering issues about the last 30 years: not just the last five, but the last 30 years.

Mr Gentleman: We have had this conversation many times. It is not the position of government to go down the track of a board of inquiry.

MR COE: Is that open for reconsideration by the government?

Mr Gentleman: I have not had any conversations with my colleagues on that.

MR PARTON: Minister, I would like to get your views on a number of things relating to the role of community consultation in the planning process. Last November you released a media statement talking about the comprehensive community engagement and workshops that took place in relation to the precinct at Red Hill. This engagement allowed the capture of community views on the estate design. You went on to say that the approved development plan was consistent with community views. You were then going to have a technical amendment done to implement the estate development plan as a precursor to the sale of that site. I think that is happening sometime this year. It appears you are doing something similar with Dickson section 72.

My question is: why does it seem that you have, in this instance, devoted enormous energy to listening to Red Hill residents in setting the characteristics of this development, but often it seems that the views of residents in many other parts of Canberra are completely ignored or at best given lip-service? On the one hand I am saying that this Red Hill process looks as though it was on the money. Why don't we do it that way for others?

Mr Gentleman: Firstly, I do not agree with the statement that you made.

MR PARTON: I did not expect you to.

Mr Gentleman: We deal in consultation very thoroughly on planning matters. I have full confidence in the directorate and the work that they do, and the work that government does in its consultation with the community, with incredibly thorough consultation on planning matters. I will ask Mr Ponton to give you the detail on how that works.

Mr Ponton: I am very pleased that you have asked the question and given me the opportunity to talk about the great work that we are doing in relation to community engagement. I will make some initial comments and then I will ask my colleague Ms Wilden to talk a bit more about some further details.

About 12 months ago, when I took on this role, Minister Gentleman—many people in this room have heard me talk about this before—asked that I think about a new way of engaging and think about how we can capture all of the missing voices in the engagement activities in terms of not just planning policy but all policy work relating to the directorate and also development proposals. There are a lot of things that we can engage on.

We have been testing a range of different models. To come to the crux of your question, the extent of community engagement depends on the particular issue. It may be that if it is a particularly complex planning issue, looking at redevelopment opportunities within an inner suburb that has a range of complexities, that might involve a range of different opportunities for engagement and a range of different tools. When it comes to a development application, that is a statutory process. That is more notification and consultation, as opposed to the deep dive engagement which you might expect at the policy level. So there are different types of engagement for different activities.

A good example was last night, when we ran the first of a series of speaker sessions for the engagement activities on the ACT planning strategy refresh. That is another example of where we are trying to do things differently. The purpose of the planning strategy refresh speaker series is to introduce people to the concept that we all need to take an interest in the high-level structure planning for the city. It is the first step in quite a long process of engagement.

There were some reports in the *Canberra Times*—I guess some less kind than me might say that it was fake news—that indicated that the engagement activities for the planning strategy were nothing more than a thumbs up, thumbs down consultation process. That completely misses the point. What we are trying to do in relation to the planning strategy refresh is start the conversation with a speaker series and get people to tell us whether or not what we have heard previously is still relevant and resonates with them. That will allow us to structure further engagement activities as we get into the deep dive.

I raise that in response to the question, Mr Parton, because it shows that this is an opportunity for us to do things differently. A development application is different again because people are actually getting into the finer grained detail. I am pleased to say that in terms of some of the work that we have done over the last 12 months for development applications, particularly given that I have heard the Canberra community say that they do not want to get involved once the formal DA has been lodged and notified, I have released pre-development application consultation guidelines that require certain developments to go through much earlier engagement activities before a proponent even gets to the point of lodging a development application.

MR PARTON: In regard to Red Hill, did we learn things?

Mr Ponton: Absolutely. That was the first opportunity that we had to do things differently. In the past there would have been a Territory Plan variation report done. That would have been notified for six weeks. We would have received comments from whoever happened to take an interest in the public notice saying that that was available. Then there would have been an estate development plan that would have gone through the statutory 15 days notification. Then the land would have been taken to market.

We thought, “Here is an opportunity for us to do something different and test this new way of engaging.” That is why we started to run this deeper dive, getting people engaged in thinking about the outcome they want for their local area. At the risk of

drifting off the question, it comes back to what I have been talking about for some time in relation to a strong desire that I have to achieve an outcomes-based planning system where you actually get people thinking about not the rule that applies to this particular parcel of land but what we want this parcel of land to achieve for our local community. How does this parcel of land relate to the broader precinct? How does a particular building on that parcel of land relate to the broader city ecosystem? What does it mean for me as a person walking through the city? How do I interact with that space?

This is what we are trying to achieve with Red Hill. It is getting people to think about what is important to them. We made it very clear right from the outset that there were certain things that the government needed from this site. It was an asset recycling initiative site and therefore it needed to make a reasonable return.

MR PARTON: It had to work.

Mr Ponton: It had to work. We made that very clear at the very beginning of the engagement activity. With that parameter set, we were able to work through with the community how we could achieve that outcome and also achieve what the community was looking for. I think it is a really good example of how you can achieve density on a site but also achieve high quality public amenity.

That brings me back to my initial point around a strong desire to achieve an outcomes-based plan. The minister mentioned earlier that I would like to get the Territory Plan from its 1,400 rules and 2,000 pages or thereabouts down to a page, to get people thinking about what we want.

MR PARTON: How many paragraphs do you think?

Mr Ponton: I think I might get it to maybe a full page.

Mr Gentleman: Another challenge for Mr Parton.

Mr Ponton: We will see how we go. But the engagement activity is the first step. Changing the way that we engage with the Canberra community is the first step in getting there. Changing the way that we engage with the community helps us to understand what is important to the community. I have talked about the DA or pre-DA consultation guidelines; that is another tool that we have put in place. We have the design review panel that has been established by government; I hope I get asked a question about that later, because I can talk for some time.

MS ORR: I can ask you a supplementary now if you would like.

MS LEE: I have a supplementary as well.

MS CHEYNE: It has been so wide ranging we can now talk about anything.

Mr Ponton: The design review panel leads us to into thinking about the broader city structure and then next year the Territory Plan review. Engagement is critically important to all of our work.

MR PARTON: Can I just ask, in closing, on that—

Mr Gentleman: If I could just follow up quickly, one of the really good learnings we had from doing the workshops on the statement of planning intent for 2015 was the younger demographic that came along on a Friday night. We had 110 young people who probably have never been involved in government before, certainly in regard to planning, who showed us not how we would see a house or an apartment complex delivered but how they want to live in the future, how they want to work, how they want to recreate, how they want to do that in a community setting, how they want to have good amenity and great opportunities for dining, that sort of thing, and how they want transport as well. It was completely different from what we have seen in community views, looking into the future. That spurred us to have a look at how we engage with community.

Mr Ponton: If I could just add to that, minister, the statement of planning intent work also taught us the extreme value in doing things differently to capture as many missing voices as possible. We want to hear from everybody. I think the proof is in the pudding in that we are seeing more and more people engage in all of the work that we do. Once upon a time for a planning policy document we might have got 10 or 15 people taking an interest. We had over 100 people attend the first planning speaker series event last night. That was on a cold evening. That is fantastic. And we had many more livestreaming, which is great. It says that what we are doing is working.

In relation to the collaboration hub on housing choices, that has been very well received. And on the housing choices policy work more generally, hundreds of people are engaging, if not thousands.

MR PARTON: In regard to this Red Hill development, if you were a resident close by, you would have gone through this engagement process. I am sure there are still some who are somewhat displeased, because you cannot please everybody, but they have gone through this extremely extensive process. I guess my question is this. That Red Hill development was your baby. You had to make it work. It was an asset recycling project and you had to make it work. When you are a resident and there is a development, you do not really care who the proponent is: if it affects you, it affects you, whoever is doing it. What happens when it comes to, for argument's sake, some of the revision of concessional leases that are held by some incorporated bodies to undertake some redevelopment, such as golf clubs and other things that are going on around the place? What role does government have in trying to provide a consultation process for those residents that is as robust as this?

Mr Gentleman: Before Mr Ponton goes there, you have raised something that is really important that we need to talk about. What you have said is that where development occurs people do not care who the proponent is. What happens often is that they think the government is the proponent. It is really interesting.

MR PARTON: Or that you are in charge somehow.

Mr Gentleman: Yes, that is right. While we try to perhaps make it easier for a proponent and the community to talk to each other, because we provide the detail on

what the regulations and rules are around that project, quite often that means that they think we are the developer, for some particular reason.

MR PARTON: Yes.

Mr Ponton: Again, I am very pleased that you asked the question, Mr Parton, because it gives me the chance to talk about our pre-DA consultation guidelines. With the pre-DA consultation guidelines, we went out and engaged on those and got a very good response. This is about getting proponents particularly to understand that it is in their interests to do exactly what we did at Red Hill—go and talk to the local community before they work out what they want to put on a particular parcel of land—and to get them thinking about what might be important to the local community, how it fits into the landscape and how it fits into the broader precinct.

MR PARTON: But you can only encourage them to do that.

Mr Ponton: No, not at all. It is a statutory instrument.

MR PARTON: I mean that you are encouraging them to consult in a similar way.

Mr Ponton: No. I have established pre-DA consultation guidelines. We may have Ms Le Couteur to thank for the head power in the Planning and Development Act that allowed me to make those guidelines. Those guidelines are guidelines made under the Planning and Development Act. As a result of that, you must go through this process before you lodge your development application. If we believe that you have not met the requirements, your application will not be accepted.

We are now forcing larger developers to go through this process. I am pleased to say that the development industry has welcomed this. What they have said to us is that there were some who were doing this really well and there were some who were doing this not so well. The ones who are doing it well have said, “Great. It is an even playing field now. We all have to do this.”

It will take some time for this level of improvement to be seen by the broader community. Red Hill was the start. What we are doing at section 72 is a good example of deep dive community engagement. But we are starting to see larger developers do exactly what we have been doing because of the pre-DA consultation guidelines.

THE ACTING CHAIR (Ms Cheyne): I am in charge now. You were talking about the pre-DA consultation guidelines. What feedback have you had from developers and the community about them? I have largely had really positive feedback but sometimes, where developers have engaged, I have had some community feedback that it did still seem like they were kind of throwing it in. I am keen to know what generally has been the feedback that you have been getting and if you are looking at reviewing or tightening those guidelines in any way.

Mr Ponton: The short answer is yes, we are looking to review the guidelines. I made the commitment when I launched the guidelines—and correct me; this would have been about August—that we would undertake a review at 12 months. That is still very much our intention. The general feedback, as I mentioned earlier, has been very

positive. The Canberra community more broadly but also the development industry are glad, pleased, that we have actually got this so that everyone knows what the rules of engagement are, if you will.

What are we finding, though, is that there are some developers who might look to stage their project so that stage 1 is naturally captured by the pre-DA consultation guidelines. I have seen one or two examples of that. There are others who have gone through the motions, as you said, but have not appeared to be as genuine as perhaps they could be. That is the feedback we have received from the community members who participated in those exercises.

I think the important thing here is that we are absolutely open and willing to try new things and we will look at whether or not what we have implemented is working, and if we think we can make improvements we certainly will. I had no expectation that on day one we would have got this absolutely, perfectly right, even though I have said many times before that, as a planner, I like to think that I am always right. But there are times when that is not the case. We certainly will be undertaking a review in August this year.

MS LE COUTEUR: Such an expansive answer gives me lots of opportunities for supplementaries. Thank you very much for that. One thing I am totally confused about is this: we have got housing choices, we have got the planning strategy refresh and your ambition to shrink the Territory Plan to a page, although I do note you have never actually said what size page, at least in public. How do those three processes interrelate?

Mr Gentleman: Can I start by saying that, overarching, there are three structural refreshes that the government is doing this year. There is the planning strategy refresh, the transport strategy refresh and the climate change strategy that we are all working through this year to complete by the end of this year. It is important that we do them all together so that each directorate can interact, as these strategies do, with each directorate and therefore provide a fulsome response, if you like, in all those categories at the end of the year.

Mr Ponton: There certainly is a plan and a vision for how all these pieces of the puzzle fit together. I might just go back a few steps. I will not go quite so far back as “it was a warm summer’s evening in ancient Greece”, but in terms of the last 12 months we have been getting ourselves ready for the planning strategy refresh. There has been, essentially, a three-year plan here to get us to the outcomes-based planning system.

The first part was to establish a number of tools to give the development industry and the community the confidence that if we move towards an outcomes-based planning system we will actually achieve good quality outcomes. That is why we established the pre-DA consultation guidelines, to ensure that there is that early engagement and that communities are working with developers to achieve good quality outcomes. That was the first thing.

Another step was to improve the way that we engage with the Canberra community and to test some options around that. I have talked about that; so I will not dwell too

much on that. The other was to establish the design review panel. I will not expand on that now unless I am asked. That was the first step. Then we move into looking at the high-level policy. The minister, in 2015, undertook the consultation, deep dive engagement, and released his statement of planning intent. That is a nice feed into the review of the planning strategy.

But there is no point reviewing the planning strategy without understanding how that fits with other government policy: transport policy, as the minister said, and the climate change strategy. That is why we have been working very closely with colleagues in Transport Canberra and City Services. I am pleased to say that, as the responsible director-general, I have the responsibility for reporting to Mr Rattenbury for climate change work.

Part of the strategy in having the speaker series for the planning strategy refresh is to get people thinking that planning is all these things: it is about transport, it is about climate change, it is about population, it is about health and it is about education. There were so many aspects of what we do to understand how the city as a whole needs to work that we wanted to start with the speaker series. Then we will delve down into more detail as we finalise the planning strategy refresh.

Another important input into the planning strategy is the housing choices work, because we saw that as a particularly complex piece of policy work that we did not want to have just thrown into the broader planning strategy work because it is so complex. There were so many different views amongst the Canberra community about what we should be doing in relation to housing that we thought that we would run that as a separate exercise. You will note that it started before the planning strategy refresh—and that was quite intentional—so that we could have that conversation, develop the ideas, be able to make recommendations to government and have that work fold into both the planning strategy and then subsequently the Territory Plan review.

I have talked about establishing some tools, moving into high-level policy, and then the next phase next year will be the Territory Plan review, which is where we get into the nuts and bolts or where the rubber hits the road, where we would expect we will get a lot more engagement from the Canberra community because this is where they understand what it really means for them. There has been a very clear three-year strategy: establish the tools, get people thinking about outcomes, do the high-level policy work, get into the nuts and bolts.

MS LE COUTEUR: When do you think the nuts and bolts will actually merge, if that is the word to use?

Mr Ponton: 2019 is what I would like to see, yes. We expect to have a draft planning strategy for the minister's consideration by the end of 2018 and then we will launch into the Territory Plan review in 2019.

MS LE COUTEUR: This should all be finished in this term of the Assembly?

Mr Ponton: That would certainly be my hope and expectation. The minister certainly made it very clear to me that, whilst we need to do the planning, it is very important

that we also need to start getting some runs on the board in terms of the real outcome. I would certainly be looking at 2019.

MS LE COUTEUR: I assume from what you said that the planning strategy review is going to encompass the possibility of new suburban growth areas and where Canberra is going to grow. I should say that I did go last night, and it was quite interesting. Is the planning strategy going to be where we look at where Canberra may potentially be growing or is that—

Mr Ponton: Absolutely. That is part of the consideration. The minister, through his statement of planning intent, had made it clear that his expectation was that we would look towards a compact city and that would be the basis upon which we embark on this journey for the planning strategy refresh. Having said that, there will always be a need for some greenfields development. Of course we will necessarily need to look at what opportunities there might be for greenfields development.

MS LE COUTEUR: You will be looking at the LDA's recent purchases in that light, I assume?

Mr Ponton: We will not be particularly concerned about who owns the land. That is not a key consideration for me in this high-level planning work, but of course we will be looking at where the opportunities might be for further investigation for greenfields development. I come back to the point that I made that the minister has made it very clear that the primary focus here will be on providing for a compact city, recognising the need for the greenfields development, and therefore we will necessarily need to do some further work. I expect the planning strategy will identify an action that says we need to do more detailed investigative work, particularly in the rural areas, to see where the next development front might be.

MS LEE: I promise, Mr Ponton, I was listening very carefully; so please do not think that I am asking you a question that is asking you to repeat. I do want to drill down to a little more detail. The review of the existing planning system has been highlighted in the budget as a 2018-19 priority. The specific wording is "to deliver greater clarity".

I have understood all the general measures that you have just talked about, but I guess what I am asking you specifically, No 1, is: what is the specific that you have got planned for as a priority this year, for clarity? No 2, do you have any milestones attached to that for this year and, if so, what are they in terms of time frames? No 3, what is the budget for achieving those milestones? I hope that was clear. They are specific aspects.

Mr Ponton: In terms of the priority and providing clarity in the planning system, that really is the work for 2019. Of course that will be the latter half of the financial year, when we will kick that work off.

In terms of what I am trying to achieve there and the recommendations that I hope I will be in a position to make to the minister, we joke about the challenge for the Territory Plan being on a page. It will be an A4 page, Ms Le Couteur. I know that that is realistically not going to be achievable, but the reason I say that is that I want to challenge people to think about what we want the Territory Plan to be. As I said

earlier, at the moment it has over 1,400 rules. It has over 2,000 pages. You have precinct codes, development codes. Precinct codes overrule development codes, and development codes overrule provisions within the broader Territory Plan.

For a lay person it is not a particularly easy document to navigate. In fact, for our assessment team, I have to say that I think there are challenges for them as they navigate through the Territory Plan as well. As a result of the focus on the rules, talking with Minister Gentlemen and reflecting on some of the things we have seen in other jurisdictions, we are concerned that the focus on the rules is not necessarily delivering on the outcome. As I said, I come back to what it is that we are really trying to achieve with the Territory Plan.

In terms of the key deliverables, clearly the key deliverable will be by the end of 2019. My expectation is that, subject to what we hear through the engagement activities, because it might be that we need more time to respond to what we are hearing, we will have a new, much simpler Territory Plan, maybe four or five pages with a few maps.

In terms of the budget for that, I would expect that the work would kick off with existing resources. We have a Territory Plan team. I think that we could start the work. But as we scope this work up it may be that we need to call on the government for some budget for the 2019-20 year. But at this stage my expectation is that for the early phases we can do that within our existing resources.

MS CHEYNE: I want to talk about safety, and planning's role in safety. I think everyone is aware of Eurydice Dixon's murder in a public place. We had a reasonably comprehensive discussion—minister, you have been part of some of those—when the Chief Police Officer was here.

Mr Gentleman: Yes, that is right.

MS CHEYNE: Also, we have talked about this with the Minister for Women. I want to get a sense from you, minister, in this ministerial role, as well as from you, Mr Ponton, as director-general, about your thoughts about how we can improve our planning and the design of our city so that everyone feels safe there.

Mr Gentleman: It is a really important question. We could go to learnings from other jurisdictions on this, too. We saw areas in Copenhagen where public safety was paramount. Planning was used, in a sense, to design residential areas around public safety, as well as the perceptions of public safety and road safety. We have done some work, which we talked about the other day, on Haig Park in particular, to encourage the view that it is a safer place to be. We heard the statistics the other day. It was quite interesting to see the change in statistics after the little bit of work that we did to encourage a safer environment in Haig Park.

MS CHEYNE: Yes, that is right.

Mr Gentleman: I will ask Ms Wilden to give you some of the detail on the engagement we did around that work before implementing those changes to Haig Park. I will ask Mr Ponton to give his view, too.

Mr Ponton: Thank you, minister. Before Ms Wilden comes up, I will make a few comments. There are three things that the EPSD portfolio can do in relation to safety within the city. The first is in relation to the urban renewal portfolio. Our urban renewal team will be identifying opportunities for the revitalisation of parts of the city. That is where we have a very key role to think about, for example, Haig Park, where we can make investments and ask government for the budget to make investments to improve safety. That is the actual “doing” part of the portfolio.

We also have the policy aspects. One of those many codes that I referred to in the Territory Plan is crime prevention through the environmental design code. That code ensures that our assessment team are always thinking about safety as they consider development proposals. There is also an opportunity for us, through the Territory Plan review, to really think about whether or not that code is achieving the outcomes that we need it to.

There are three things that we can do. The assessment team is always looking at safety. We can refine the code that we currently have, and I expect that we will be doing that. And we have the “doing” part of the agency, in terms of actually building things. We can always be looking at improved opportunities there. I might turn to Ms Wilden, who I think was a little bit disappointed that I did not throw to her in the first question on engagement. She is very keen to talk about this. This is an opportunity to talk about the great work that Karen led. Red Hill was the first. Haig Park was the second engagement activity that we did in terms of this new way of engaging.

Ms Wilden: I do not know that there is much left to say. It was serendipitous that you asked a question about Red Hill because I could answer the question about section 72, which I can do later, if you like. But as to Haig Park, that was the former coordinator-general for urban renewal. One of the key things that we did in planning for that engagement was crime prevention through environmental design with ACT Policing. All the people in the team that we got together actually did a full walk of the park. That also enabled us to have a look at the crime statistics that related to activity in the various parts. Some parts were seen to be worse, in terms of crime, than others. That actually helped in the thinking about how you could potentially divide the park into areas of more formal activity versus areas where people would still go for their runs and the like.

My understanding is that the statistics around crime in Haig Park have actually been reducing over time. But it was one of the key factors in thinking about where you wanted to go regarding how to activate Haig Park into the future, particularly given that you are obviously going to have continuing development, particularly on the northern side of the park. The City Renewal Authority now has that project and I understand that they are working hard to bring that to completion.

MS CHEYNE: We heard from the Chief Police Officer that the statistics are actually stark regarding the change in terms of criminal incidents that have occurred there. In the year to date, it is something like two, whereas previously it has been in the high teens. So that is significant.

In that conversation we were talking about perceptions of a safe place versus the

reality of the statistics, which can be quite different. I want to put on the record a really good description from the Women's Centre for Health Matters, who have developed a safety mapping tool, which I will ask you about. They said in their preamble that perceptions of personal safety can influence the extent to which some people in the ACT use public places and spaces, preventing some people from fully participating in the community. They said that women and men use public spaces differently and have different ideas about what makes them feel safe in those spaces. For example, while the physical environment does not cause violence against women, having a fear of crime or violence can heavily influence a woman's perception of safety, therefore affecting how she will make use of the public space.

That is a very good summary. I am interested in what more we can be doing to influence that perception. I definitely want the actual statistics to be going down, but I think everyone in this room wants people to be making the best use possible of public places. I am buoyed to hear, Mr Ponton, that that is a serious consideration for you in your role as the leader of EPSDD. With this safety mapping tool, are you aware of it?

Mr Ponton: Yes.

MS CHEYNE: At the start it says that this will be provided as feedback to your directorate. I want to know what you plan to do with that feedback.

Mr Ponton: I do not believe we have received the feedback yet, in relation to the mapping tool.

MS CHEYNE: I think it was only launched a few weeks ago.

Mr Ponton: I am certainly aware of it. I attended a presentation, where there was more detail provided, only about a fortnight or so ago. Certainly, once I have had a chance to look at it in more detail, we will consider more fully how we deal with that information. Coming back to where we started with the outcomes-based plan, that is also about creating a city for people.

MS CHEYNE: The outcomes of what, sorry?

Mr Ponton: The Territory Plan review—getting a plan that is about outcomes. A key part of that is building a city for people. When you have a city that provides for spaces where people can interact, the more people you have, the safer a place is. Certainly, a very strong consideration in our policy thinking is how we can provide for high-quality public spaces that encourage people at all times of the day to move through, which increases that feeling of safety.

Ms Wilden: Given that section 72 Dickson was raised earlier, we are actually using safety mapping as part of that engagement process. One of the things about that area between Dickson pool up to the start of the playing fields is that at the moment there are places that are unsafe because of the nature of some of the foliage. There are a number of areas where there is not very good lighting; there are some buildings that are no longer occupied. Through the engagement that we have started—and we have not yet finished; we are yet to move into the second stage—those sorts of issues are

coming out.

Probably one of the other positive things about the way in which we are trying to have more collaborative and longer conversations with the community, where you are looking at a whole area, is that these things can come out. You have the space in the conversation to say that older people have concerns not just about safety but about uneven pathways. You are putting it in a context; instead of just saying, "It's a cracked path," you can say, "For this space to function, we need to look at all of those elements, including the relationship between where you will have buildings and where you will have open spaces."

With safety, it is a given that we would look at that as we do the mapping around those sorts of areas. In fact, what we are doing in section 72 pretty well has come from the learnings of Red Hill. Funnily enough, I did Red Hill, and I thought, "If I'm moving to a new organisation that wants to do community engagement, what did I learn?" What we learnt was that you can give space to understand what the community values, but, more importantly, you need to be very up-front about what you can and cannot achieve, and what you need. With section 72, I said, "The government wants to put Common Ground there, and an element of public housing. Here are our challenges, here will be the things that we must achieve, but we can still do that while achieving community outcomes as well."

We will then be working with them on the estate development plan, with the consultants, to design something whereby everybody understands there has to be some level of compromise, but we can come to an outcome where it becomes a more functional space, you have a better connection between the buildings and the open space, and you are also making best use of the community facilities that are there, or that may be able to go there in the future.

All of that obviously has to be built in such a way that people feel safe to come into it, to live in it, but also to move through it. We are at the stage where we are talking to our students from Daramalan and Dickson at the moment, because we want to understand how the youth see the space, as well as how the older people within the community see the space.

MS CHEYNE: While we are on public places, I saw in the budget that there is an initiative called better public places, with funding of \$100,000. What is that?

Dr Brady: The \$100,000 is for us to work together with TCCS, with a focus around improving place. The first pilot project will be in Woden. It is to focus on similar things that we have learned from Dickson and how we are looking at the Dickson process, and some of the work we have done there around speaking with the shop owners, getting a bit more of a bottom-up approach to hearing what the business owners and the people who use the spaces really want. It is not necessarily money just spent on physical outcomes. There might be some activities. For example, in Dickson earlier this year we had activities such as planting in the Dickson area. We had a movie night, a couple of sessions. Interestingly enough, there was a piano placed—

Mr Gentleman: Very elegant deckchairs, I remember.

Dr Brady: Yes. There was a piano placed there. Every time I went to the Dickson shops, someone would be playing on it—some poorly, some really brilliantly. The money in the budget is to take those and use some more community-focused approaches to activating spaces. If we work closely with our colleagues in TCCS, part of their role will be to deliver some of the physical changes. Our side will be to engage with the community to understand what it is they need, what are some activities we can do with them, and what are some activities that they can lead in really improving the places there. So it is a much more citizen-focused, citizen engagement approach to the place-making.

MS CHEYNE: Is it going to happen in Belco?

Dr Brady: The Woden one will be our test case and the intention certainly is that we will build on that—

MS CHEYNE: If it is successful, we might see some more money in next year's budget?

Dr Brady: We may do.

MS CHEYNE: But we will not pre-empt that.

MS LE COUTEUR: The Woden one is what is being called the “Woden experiment”?

Dr Brady: I am not familiar with it being called that, unless someone—

MS CHEYNE: The Woden experiment has engaged Street Furniture Australia.

MS LE COUTEUR: Is that separate from this?

Mr Ponton: I believe that is separate.

Dr Brady: Yes, I think so.

MS CHEYNE: All eyes on Woden.

Dr Brady: We might need to look at how that interacts.

MS LE COUTEUR: I suspect you might want to look at them, because they are doing what seem to be very similar things with Woden town square.

MS CHEYNE: They also have a very good e-newsletter. Finally, on that line of questioning, Mr Ponton, could I get your assurance that the information that does come to you from the safety mapping tool will be taken on board very seriously?

Mr Ponton: Absolutely.

MS CHEYNE: If I have constituents who raise concerns with me about public place safety, who is the best person for me to raise it with?

Mr Gentleman: I am happy to take those questions. Indeed we can deal with them both in the planning sense, if you like, and through ACT Policing.

MS CHEYNE: Okay; thank you.

MS LE COUTEUR: There seems to be a bit of confusion in what I am going to be talking about. I refer to the ongoing saga of the government's purchases of rural leases between Canberra and the Murrumbidgee River. I have asked questions about this over quite a while. Recently, as you are no doubt aware, I asked EPSDD, under FOI, for documents relating to the development of a final draft or preliminary master plans for the area, and I was told that there were no documents. That was in the decision letter, I think. There was a separate batch of documents, and in it this was said: "The LDA has recently prepared a draft Stromlo master plan." That is a quote. I am totally unsure as to what is going on. The FOI decision letter said there was not, but reading through, the Stromlo draft master plan exists.

Mr Ponton: I hope that I will be able to clarify the situation for you, Ms Le Couteur. The answer that you got from the planning and land authority or the Environment, Planning and Sustainable Development Directorate is correct, in that at this point in time we have not undertaken the detailed investigations that were foreshadowed in the 2012 ACT planning strategy.

In that strategy there was an area to the west of the city that was identified for further investigation as a potential urban development front. My understanding is that the former land development agency relied upon the fact that there was that reference in the planning strategy to a future development front, and that is the basis upon which it sought to purchase land. I know that we have a session this afternoon where I will have colleagues from Suburban Land Agency who perhaps can provide further detail on that aspect.

As I said, the work foreshadowed in the 2012 planning strategy has not yet been undertaken. However, I understand that work was done as part of the due diligence work that the former land development agency was undertaking. I think it is a terminology issue. I think the term "master plan" is the problem. I have had a conversation with colleagues in the now Suburban Land Agency. My understanding of that work, and perhaps we could explore it a little more this afternoon, is that in fact that was more due diligence work. It was more of a development plan as opposed to a master plan. Master plans tend to relate to planning, which is why I am sure that you are looking—

MS LE COUTEUR: The brief that the LDA gave the Chief Minister said "draft Stromlo master plan".

Mr Ponton: Yes.

MS LE COUTEUR: That seems to be different from what was told to me about documents available under the FOI.

Mr Ponton: In the context of the rural land acquisitions, my understanding is that that

reference is in fact to the due diligence work, and it was a poor choice of terminology.

MS LE COUTEUR: Maybe the next one is also a poor choice of terminology. Minister, in March last year you advised me, in answer to a question on notice:

Consideration of central Molonglo is in the context of the area not being a future urban area.

However, in May 2017, two months later—again I got this under FOI—the LDA told the board to purchase the pine region, central Molonglo, which had, and I quote again from the FOI documents, “approximately 98 hectares of land available for possible future development”. These do not appear to be the same idea.

Mr Gentleman: Firstly, we should have some history on this. Quite a number of years ago, we looked at the whole Molonglo area for future development. There was a broad inquiry by the planning committee in the Assembly on what should occur there. There were a number of community concerns about development, particularly in central Molonglo, and at the time—

MS LE COUTEUR: When you are talking about the Assembly inquiry, what are you talking about?

Mr Gentleman: That was back in about 2007, from memory. We made recommendations to the government on what should occur for the future there and identified central Molonglo as not being part of future development or residential development as such. However, there could be opportunities to use some of that land to service other parts of residential development in the Molonglo region generally. If you need to put infrastructure in, whether it is water, sewerage or infrastructure to service other parts of Molonglo, there may be an opportunity to use part of that land for that.

MS LE COUTEUR: Future development, but you would not see this as in any way being residential?

Mr Ponton: If it is within the central Molonglo area, mindful of the government’s stated position in relation to that, it could be, as the minister said, utilised for infrastructure provision. It could also be utilised to support residential development—that is, as an offset area.

That is my understanding around what the former land development agency was thinking at the time in terms of the purchase of that particular parcel. Again, it might be prudent to have that conversation this afternoon when we have colleagues from the Suburban Land Agency here. I will certainly be here for that as well. In terms of the history, the records that relate to those purchases and the thinking behind that, it certainly was a decision by the former land development agency, not a planning decision. My understanding is, as the minister said, that that land could be utilised for offsets and also infrastructure provision but not necessarily for residential development.

MS LE COUTEUR: Finally, with respect to the government’s response to the

planning committee's inquiry into annual reports, recommendation 12 of the committee was:

That the ACT government cease buying rural leases for strategic purposes until the Auditor-General has completed her investigation into rural land purchases by the LDA.

The government's response, very helpfully, was that it agreed in principle. It then said it would not enter into any new contracts for land zoned as broadacre. The reason I am asking a question about what the government actually means by this is that less than 10 per cent of the land that was purchased—the western land purchases—was actually zoned broadacre. It was basically rural or hills and buffers. Is the government restricting broadacre purchases, or that area, or rural leases for strategic purposes, or are we just—

Mr Gentleman: It really is a question for SLA. If it is okay with you, we will take this part and answer it this afternoon.

MS LE COUTEUR: Okay.

Mr Ponton: Of course, the issue may be moot, because I understand that the Auditor-General plans to table that particular audit today.

MS LE COUTEUR: I believe that is true, but the question did refer to before her tabling, which appreciably has not happened—to my knowledge, at any rate. It might have happened while we have been sitting here.

Mr Ponton: I am sure I would have received a text message if that was the case.

THE CHAIR: We will suspend for a morning tea break.

Hearing suspended from 11.15 to 11.33 am.

THE CHAIR: Ms Lee, we are up to you for a substantive question.

MS LEE: I want to talk about DAs. I am sure Mr Parton will have some supps. Table 16 on page 18 of budget statements E outlines a number of indicators and outputs for 1.1. How many DAs do you receive each year?

Mr Gentleman: We will ask Mr Phillips to give you that detail.

Mr Phillips: Thank you for the question. Over the last 11 months, from 1 July to 31 May, we received around 1,080 development applications. That reflects an increase of around 20 per cent from last year.

MS LEE: Do you have stats on the breakdown of those DAs? How many would be from individual households and how many would be from building companies or developers? Do you have that breakdown?

Mr Phillips: We do not have the breakdown, but the majority are residential

developments.

THE CHAIR: How many relate to new dwellings compared to additions or alterations?

Mr Phillips: I do not have that breakdown.

THE CHAIR: Can you take that on notice, please?

Mr Phillips: Yes.

MS LEE: How many out of the 1,080 were disputed? It could be different categories of dispute.

Mr Ponton: Whether it went to reconsideration or to the tribunal? Is that what you mean by “dispute”?

MS LEE: Could you actually give us a breakdown of where it has gone when it has been disputed. It could be that there was a complaint and it has been withdrawn. Have you got stats on that?

Mr Phillips: Thank you for that. I can tell you that of the 1,080 decisions made there were 31 appeals lodged in ACAT, which represents just under three per cent of the business. Of that, there have been eight hearings, which represent only one per cent of the number of Das.

One of the things we are noticing is an increase in the complexity of the multi-unit development applications. That means that we are seeing an increase in our scrutiny of, and the comments that we make to, developers. Then we are seeing an increase in amendments that are made subsequent to that and we are seeing an increase in the number of applications for reconsideration from developers if we refuse.

MS LEE: You started talking about this. What proportion of the disputes originate from the entity submitting the DA and what proportion would arise from the surrounding community? Have you got a—

Mr Phillips: In relation to appeals lodged in ACAT, the vast majority are third-party appeals.

MS LEE: What proportion of DAs—and you alluded to it earlier—would require a change to planning rules such as zoning variations or codes and the like? Do you keep any stats on that?

Mr Phillips: There are a number of different possibilities in relation to development applications. First of all, there is that building activity that is undertaken within all the rules and guidelines outlined in the Territory Plan for residential developments. They are not required to have planning approval. Then there are those sets of developments that are required to be assessed against the rules and criteria of the Territory Plan, which are developments that require development approval.

There are those developments that are permitted in the relevant Territory Plan zones but may be not permitted on the lease. In addition to a development application for design and siting, there is a request to vary the condition of the lease to allow specific development. There is further set of developments that are not permitted within the Territory Plan zone that might be permitted in the lease.

MS LEE: That is the opposite?

Mr Phillips: It is the opposite. Those developments require an application in the impact track to be supported by an environmental impact statement. Then there are those developments that are not permitted within the zone and are silent in the lease. There are a series of developments that might also be accompanied by a request for a Territory Plan variation.

MS LEE: I do not know how to say this. Is there a—

Mr Phillips: A hierarchy?

MS LEE: Yes, a hierarchy. I suppose that is the best word for it.

Mr Phillips: The hierarchy really is that the lease sets out a contract between the government and the lessee of the land in relation to what is permitted on the land. If the zones prohibit a certain development but that development is permitted within the lease, then that development can take place with an application in the impact track.

MS LEE: It still goes up through the impact track?

Mr Phillips: The hierarchy in that regard is what the lease says. If the lease is silent or has a different permission, the hierarchy is what is in the Territory Plan.

MS LEE: In terms of the specific figures in that table and the median processing times in working days, you had a target of 30. The estimated outcome was 42. You have now given yourself a target of 30 again. I note the note which talked about the increase in complexity in DAs. In the target of 30, are we expecting to see the complex DAs that we saw last year? Are you foreshadowing that they will, I suppose, go down in complexity? Is that why you have the 30 or have you got additional resources to combat these? I am wondering what you are going to do to ensure that you reach that 30 target.

Mr Phillips: The number of development applications in the system fluctuates. They go up and down. At the moment we are seeing an up and we have, over the last nine to 10 months, just seen an increase in the cycle. At the moment, given all the development around the place and the interest in the town centres, a lot of the complexities are in those urban renewal spaces—the town centres, the Northbourne corridor. Given the level of interest around there, we would expect that the level of complexity will maintain.

Whether the level of interest in developing and the numbers are maintained is something that we will continue to track. Over the next 12 months we will review these figures once we get a broader set of data, if there is no trough and the current

level of development maintains.

Mr Gentleman: What that does show us too is a level of confidence within the construction community in the government's agenda for urban renewal for the future of Canberra. It has been interesting to see the amount of input in this space and the amount of proposed development that is occurring now and that we perceive will go on into the future as well.

MS LEE: I suppose we will be able to tell from the figures in next year's budget papers how that has gone. Along the same lines, in line (c), the percentage of development application appeals resolved by mediation, you have got a target of 35, an estimated outcome of 68 and a target of 35 again. Can you perhaps give a bit more detail on those figures?

Mr Gentleman: Mr Phillips and I have had some previous experience in ACAT and I will pass to him for his expertise.

Mr Phillips: The figures I gave initially were that we had 31 appeals that evolved into hearings. That is because we have moved into a situation where the vast majority of appeals are resolved through mediation or are discontinued. What we have done in the space over the last 12 to 18 months is put in place a constant and continual ACAT assessing officer within planning delivery so that our approach now is more consistent. We are more focused on getting an outcome without going through the expense and the time involved in having full tribunal hearings. It now reflects that the number of matters that are settling is becoming greater than the numbers that used to go to a hearing.

MS LEE: If it is a preference to ensure that the matters do not go to a full-blown hearing in ACAT, surely you would want the target of 35 to actually be higher?

Mr Phillips: Yes. Again, we are going through an exercise over the next few months of actually reviewing all these targets. My view would be that that figure should be 75 per cent.

MS LEE: Considering that the estimated outcome is 68 per cent and you are getting pretty close to it, you would think that that would be something that you are working toward?

Mr Phillips: Yes.

MS LEE: You might have to take this on notice, but what has been the number of DAs that you have received in the past five years leading up to now—you have said that there has been an increase—including your forecast for 2018-19?

Mr Phillips: I can tell you that last year was 986. I cannot tell you offhand for the years before. We can take those others on notice. They do fluctuate. There have been years where there have been 1,200. There have been years where there have been under 1,000. The level of complexity is consistently being increased in relation to the urban infill.

MR PARTON: That being the case, have we actually gone through the process of budgeting for a rough number of DAs? What number of DAs have you budgeted for over the forward estimates or is that not something that is done?

Mr Phillips: We have 23 DA assessors. We normally go through peaks and troughs across years or whatever. When things plane out we will budget. If the level continues to rise or continues to be maintained we will then be looking at what we do in relation to our staffing members.

MR PARTON: I am finding that, from anecdotal conversations particularly with people out in the suburbs who have gone through a process where they have wanted to build something or add something to their property, there is often great confusion even among those who are actually working in the industry as to what requires a DA and what does not.

Mr Phillips: One of the ways that we have responded to that is that we have set up a particular gateway team in planning delivery. We have a number of officers now, including duty planners, that are available to provide assistance at our shopfront and also on the phone. We have started tracking the business that comes through the door in relation to that. We have had, it looks like, over 5,000 calls in the last 12 months. Over 50 per cent of those are relating to mums and dads who are wanting to build a pergola or a fence or whatever. That business is now out there.

MR PARTON: Based on the overall number of 1,080 for the year, the fact that you had 5,000 calls, to me, indicates that in most cases the DA was not required.

Mr Phillips: The Planning and Development Act has a schedule that provides exemptions for development applications, for example a pergola less than 25 square metres. People would ring up and ask that question. No DA required.

Mr Gentleman: There is a really good statutory process on the planning website. If you go to planning.act.gov.au, development applications, there is a quick guide. It runs you through a step-by-step process as to what is needed, where a development application is needed or where it is exempt.

MR PARTON: Does that figure of 1,080 include retrospective DAs?

Mr Phillips: Yes, it includes retrospective DAs.

MR PARTON: I think my colleague, Ms Le Couteur, would probably be keen to get this as well if she does not already have it. What is the breakdown in terms of how many of those were retrospective DAs?

Mr Rutledge: I am happy to provide that to this committee, but we welcome that there is a committee inquiry into DAs, both looking at the consultation and the process, because, as Mr Ponton was saying earlier, we are learning and trying to improve community engagement. I do take your point. If we are taking 5,000 calls a year or over the counter or emails from people wanting to know whether they need a DA, what they need a DA for, it seems to me if you are having 5,000 interactions with the community the gateway is quite wide, and it is great that people have responded to

the gateway team.

As the minister said, we have tried to put as much as we can online to step people through when they need to come to the counter or not. I think maybe through the other committee inquiry and that discussion we will see greater business improvements because we want our planners to be dealing with the most complex cases, of course. We want them to be getting those outcomes. As Mr Phillips said, the complexity coming in the town centres and the urban renewal areas is where you would hope we spend our professional time—not deciding on or helping the public with a pergola in their backyard.

Mr Gentleman: Five thousand calls, though, does give me a very good argument for budget funding for four more development assessors.

THE CHAIR: Do you think, though, minister, that 5,000 calls, which is almost five times the number of development applications that have been lodged, suggest that there is an over-complexity, particularly for the average home owner, in deciphering what does and does not require approval?

Mr Gentleman: There is certainly complexity in development applications in the Territory Plan and its regulations under that, and that is why we are trying to simplify it.

MR PARTON: Notwithstanding that we do not know what proportion of those 1,080 DAs were retrospective DAs—and I know that part of this potentially drifts back to Access Canberra, into compliance—what I want to know is: when someone makes a retrospective DA, obviously what they are inquiring about is already built. I am sure it has been asked before. I think I can remember you going into similar territory at another hearing. I am just always keen to know if any of those retrospective DA applications are ever unsuccessful. It is already built. I am absolutely certain I am not supposed to do this, but I am going to tell you that I have given this advice actually to some people out in the suburbs. I said that I do not think they have ever knocked anything down once it has been built.

MS LE COUTEUR: You are correct. This question has been asked before. Hopefully we will have a better answer. Is that correct?

Mr Gentleman: Mr Peffer will give you some information on that.

Mr Peffer: From time to time we are alerted to construction work that has occurred that perhaps needed an approval which has not been obtained. We approach each of these cases on a case-by-case basis. The reason for that is they are all different. It is not a uniform thing that might have occurred. We will always apply our risk and harm model to what has occurred. In most cases that we observe, it is a technical breach where it can be rectified through an approval that can be obtained. Something has been built and it is very possible for the builder or the owner of whatever is being built to then retrospectively lodge a DA or obtain building approval for what has occurred.

MR PARTON: What you are telling me is that in all those retrospective DA

situations that you are aware of there has never been any change made to any structure as a result of that process?

Mr Peffer: No.

MR PARTON: It begs the question: why would you go through the DA process? Why would you not just build it?

Mr Peffer: No, that is not what I have said. Largely what we observe is that these are technical breaches and they can be rectified. On occasion, they cannot. On occasion, an approval cannot be obtained and in some of those cases we will have a look at what is the rectification that needs to occur.

There is a recent example that comes to mind of a parapet wall that was built to a particular height that was not permitted. The builder involved in that case subsequently lodged an application to obtain an approval and could not get it. We worked with that builder to reduce the height of that wall, which required that it be essentially demolished and rebuilt, including some structural elements of that particular home. I guess what I am saying is that largely these things can be resolved but, on occasion, when they cannot we will work with the parties involved and take what action is necessary.

MR PARTON: On how many occasions do you think that sort of action has been necessary?

Mr Peffer: What we observe is that in the majority of cases it can be rectified through an approval being obtained. I would certainly say that the number of cases where demolition needs to occur are few.

MS LE COUTEUR: Would that be in the order of a dozen a year, a hundred a year?

Mr Peffer: No.

MS LE COUTEUR: Can you give us some idea of what “a few” means?

Mr Peffer: Few would not mean a hundred a year. It is probably a handful a year, which I would say is fewer than 10.

Mr Phillips: Just to give you an indication, whilst I do not have the specific numbers—it will be a difficult exercise to extract that because there are some components of particular DAs that are retrospective, as well as a full DA that might be retrospective—we think it is less than five per cent of our business.

MS LE COUTEUR: That would include both fully retrospective and part—

Mr Phillips: Yes.

Mr Gentleman: Mr Simmons has some more detail on development.

MR PARTON: Good. I wanted him to enter the fray at some stage. He has been

sitting there all morning.

Mr Simmons: In the past I was in Access Canberra. Some illustration of where these things happen might help you. For example, when somebody is on a hilly site, we are cutting and benching, so we are taking a slight cut on the boundary. The hill might be such that it means you are taking a slight cut on the higher side.

There is a point in time at which you will exceed the height that you are allowed to do as a building work and it will need a DA. You may go four, 200 millimetres, 300 millimetres over the height you are allowed. That will require a DA. Once you site cut that much, you need a DA. You would not say that was a thing you would not do because the retaining wall is in there; what you are doing is rectifying the fact. When you started to cut, you thought you were going to come in at one height, and then you went in a bit lower. Sometimes it is more than that. I am talking about a lot more than that. I think in this place we have had conversations about when they hit very high. Sometimes it is that.

There is another issue that would come along. Let us think about a block where the setback might be 900 millimetres. The building gets built. The surveyor pin might have got knocked over. Instead of being built at 900 millimetres, it is at 850 millimetres. Which law has been breached there? Is it a planning rule or is it a building rule? The answer is both.

What is the most effective tool to solve that problem? Would you say the thing to do is to knock down the building and move it 50 millimetres to the right? Some years ago that was ActewAGL. We arrived at a point where the house was only at its footing stones, but they did. The footings came up and it moved, in that case, about 100 millimetres because they were very insistent on their rules under the Utilities Act.

Most of the time, the conversation is around the fact that it is a planning law which says that the encroachment was such that it can be rectified by a DA, so that is where you would go. As the regulator, when you are looking at that, what is the risk and what is the harm? It is probably that you would not want to authorise the knocking down of a building.

Mr Peffer was talking about why we look at these things, how we look at them, the effective tool to use and the nature of the approach. You do get to a point, sometimes, where you have to say, "No. It is the building. You are going to have to do something about that." But in other cases it is about using the laws that we have effectively to rectify what needs to be sorted out so that future records are accurate about what happened on site.

MR PARTON: In that instance, do you go through a process of trying to ascertain how much of this was a simple error and how much of it was "give them an inch and they will take a mile"?

Mr Simmons: If somebody is sitting on a backhoe, they are there to do the job. Essentially, what they are doing is looking to levels that they have. If they go a bit over, they put the bucket in and take a bit more out. They then let the builder sort that out. They are there to do that particular job. In all of these things, it is a bit of art and

science. You prefer see a lot more science than art in these things. But sometimes you are forced down the pathway where there is a bit of give and take in those elements. Sometimes they clearly go over. It is quite clear that a different thing has happened. That can have quite some effect for long periods of time as they get resolved. But a lot of these are relatively easy to resolve.

Mr Gentleman: I have some friends who are backhoe drivers. They are going to be very pleased to hear that they are now artistic.

Mr Simmons: I find that the building construction game has quite a lot of creativity in it.

THE CHAIR: Some of them do not need encouragement.

MS CHEYNE: Speaking of ACAT decisions, I understand there was one, Mr Ponton, that you were looking closely at. I wonder—it is absolutely okay if you cannot—whether you can provide an update?

Mr Ponton: Are you talking about one in Belconnen in particular?

MS CHEYNE: Yes. If it has progressed—I am not sure that it has as much I had hoped—there start to be some privilege issues around it.

Mr Ponton: I can talk to an extent. I am sure that somebody will tell me to stop when I need to stop.

MS CHEYNE: All the lawyers!

Mr Ponton: I just looked at Mr Phillips. He is a lawyer.

MS LEE: The ears are pricking up.

Mr Ponton: There was a decision of the tribunal in relation to a particular site at Belconnen. I think I am safe to say the site, Brett?

Mr Phillips: Yes, you can certainly say the site.

Mr Ponton: The KFC site, next to—

MR COE: Block 83, section 65.

Mr Ponton: Block 83, section 65 Belconnen. The tribunal made a decision. Initially the planning and land authority had made a decision—of course you know this, but I am saying it for the benefit of others—to refuse the application. It went to the tribunal. It was a first-party appeal. The tribunal decided to approve the application, subject to a lease variation being considered and granted by the planning and land authority.

Ordinarily, when a decision is made against the planning and land authority, we as a model litigant will say, “Okay, that’s the decision of the tribunal. Let’s see what we

can learn from that.” It is only in extreme circumstances where we think that there is a significant error at law that we seek an appeal to the Supreme Court.

And as I said, as the model litigant, it is very, very rare that we would do that. I am making that point intentionally. In this case, we are concerned that there was an error at law. We are very concerned about what that means for the planning system as a whole. We have sought to appeal that decision to the Supreme Court; that is, we are appealing against the approval of that application.

MS LE COUTEUR: Can I just ask about another case: the Dickson Woolies or car park case? Would you be able to say anything about that? I was not going to ask given I assumed I could not. But given your answer about Belconnen, could you be equally fulsome here?

Mr Ponton: Yes, certainly, to an extent. In relation to that one, coming back to being a model litigant, we were working our way through the decision of the tribunal. Another party to the proceedings has decided, as a first party, to appeal that to the Supreme Court. In that particular circumstance, there are aspects of that decision from a legal perspective that, as the independent planning authority, we have concerns about.

Whilst we did not lodge the appeal, we have applied to be a party to the appeal for no other reason than that, if it is going to the Supreme Court, our view is that you need to be at the table to understand what is being argued and to protect the interests of the territory. In that one we are a party joined. In the KFC site, we are the appellant.

MS LEE: Can I confirm that the territory has been joined as a party in the Dickson appeal?

Mr Ponton: Yes.

MS LEE: Yes. That has been confirmed?

Mr Ponton: Yes.

Mr Gentleman: Yes.

MS CHEYNE: Just to confirm: that appeal has been lodged?

Mr Ponton: For the Belconnen site, yes.

Mr Gentleman: The directions hearing, I think, is on 12 July.

Mr Ponton: Can I reinforce that it is not often that the planning authority takes such action, but we do feel very strongly about this one.

MS CHEYNE: I certainly appreciate, Mr Ponton, that it is now up to the court, so I will cease asking anything else.

THE CHAIR: Draw a line there. Where are we up to now?

MS ORR: I want to ask about some of the budget policy decisions that are outlined in budget statements E. The first relates to the national capital city design review panel. I believe this is ongoing funding, based on a pilot project.

Mr Ponton: That is correct.

MS ORR: Can you run us through how the pilot has gone so far? What have you found?

Mr Ponton: Certainly. I will commence. If there is anything that I have not covered, I will ask Dr Brady to elaborate. I do not want to harp on about this, but I am going to. I go back to what I, with the minister's strong support, am keen to achieve. It is an outcomes-based planning system, getting people to think about what is important about our particular locality and looking, with the minister, at what is happening in other jurisdictions.

We saw the benefit of establishing a design review panel to assist our assessment team to achieve high-quality design outcomes. When I talk about high-quality design outcomes, I am not talking about just the building; I am talking about how the building sits within the landscape. I think that is critically important, that we do not think about a development application just on the design quality—what type of glazing is on the building—but on how it hits the ground, how people move through and around the building.

With a degree of enthusiasm to establish a design review panel, and with the minister's support of course, we did not have a budget for such an exercise. We thought that the best course of action would be to run a low-key pilot at a relatively low cost to see whether we could make this work and learn from other jurisdictions.

The South Australian Government Architect was very generous with her time in supporting us in learning how the South Australians have established their design review panel and also participating on our design review panel. Because we were not at the point that we could pay independent experts to join us, we drew on the expertise of other panels from around the country essentially at no cost, or very little cost, to the planning and land authority.

We then worked very closely with a number of larger developers, or projects, within the city. The intention there was essentially for this to be a voluntary exercise. I am pleased to say that the larger proponents around the city were very enthusiastic to participate because from their perspective they were wanting to draw on the benefit of improving their design. Therefore, ultimately, with better design they are going to make more money out of these developments. Also, there was an incentive for a faster approval once it actually hits the formal DA process.

Having run that process for around six months, we were able to work through what we saw as some of the kinks in the system. We received feedback from those proponents. As I said, to a large extent it was voluntary. There was one site where the government sold the land and it was a condition of the sale. There was a little bit more teeth in that one, but the proponent had to go through design review. We achieved

some improvements, from our perspective, to the original design for that project and all the others that have been through design review. We are now at the point—the government has supported this through budget funding—where we can run an expression of interest to appoint members to a panel.

The panel could be anywhere upwards of 20 experts—architects, landscape architects, town planners, engineers; a range of allied planning and building professionals. The expectation is not that you have all 20 sitting reviewing a proposal, but you would draw on the particular expertise of particular people. The benefit of having a range of people that you can draw on is that you do not have one, two or three people who are considering everything. You are actually starting to get this mix of views and ideas into the design review process.

We would like, and our expectation is, fairly soon to put a recommendation to the minister for his consideration around the options to provide for the design review process within the regulatory system so that it is not voluntary; it becomes a requirement for certain types of development. Like the pre-DA consultation guidelines, we will be able to evaluate that over the next 12 months and then see whether we need to make further improvements.

Overall, it is quite an exciting opportunity for us. As I said, the pilot has worked well. We will be going out very soon to call for experts to participate. We expect that they will be not only Canberra-based but from around the country. We would like to see that this will improve the design quality of both buildings and public spaces significantly over the next 12 months to two years.

MS ORR: Is it correct that the budget funding will be primarily for establishing that panel?

Mr Ponton: Correct, in terms of there being fees payable to the experts to join the panel. I should point out that we will also have our own experts. The planning authority has a range of experts in planning, architecture, landscape architecture, engineering. We will have our own people sitting on those review panels. Also, the assessment team, who are also very capable and skilled, will participate in the design review process.

MS ORR: You mentioned that during the pilot quite a few proponents of the development were quite happy to opt into the scheme. What is the feedback they have given once they have gone through that process?

Mr Ponton: The main piece of feedback I have heard is that proponents saw the benefit in going to design review before they had developed their own schemes, which is consistent with what I have been talking about in terms of making sure that we engage with the community early on, prior to the formal DA process.

There was one particular project where, because of the timing of the establishment of the design review panel, we required through the sales process that they run through their scheme. But behind the scenes they had actually developed their scheme. They were ready to submit a development application. They were concerned that they would have to undertake redesign work.

For the other projects, we were able to capture those very early in the process. Overall, the feedback was positive. They saw the benefit of tapping in. Essentially, for the proponent it is free advice on how they can improve. I am just being advised here that in terms of the overall funding, we are looking for—

Mr Rutledge: Sorry, it is \$390,000 over four years to support the panel, \$120,000 over three years for the guideline development and then also \$480,000 for staff to support the panel. That is the breakdown of that funding.

Mr Ponton: That is another important point that Mr Rutledge has reminded me about. Part of this process is to provide guidance to the panel. We are developing design guidelines. That is what we are seeing works very well in other jurisdictions, particularly South Australia and Auckland, to ensure that there is guidance for the panel.

MS ORR: We took a detour there. Is there anything you want to add to the feedback from industry as part of the process?

Mr Ponton: I will ask Dr Brady in the first instance whether there is anything else you have heard from the industry. From my perspective, it has been very much around their seeing the opportunity and getting, effectively, free advice, improving their design, and the improved time limits of assessment once we get into the system.

Dr Brady: I think you have been comprehensive, Mr Ponton.

Mr Ponton: Thank you.

MS ORR: You said the pilot was a voluntary exercise, except for one where you have put it as a condition of the sale. Has there been any consideration for the ongoing scheme as to whether it will be voluntary or a part of the sale contract?

Mr Ponton: It will be, we hope, subject of course to the minister's agreement; so I do need to clarify that and—

MS ORR: Watch this space?

Mr Ponton: Certainly, my recommendation to the minister will be that we look to have the design review panel as a referral entity within the DA process and structure that in a way that, in order to have your application of a certain scale received and considered, you will have had to have gone through design review. Then, as a referral entity, the development assessment team will be required to carefully consider the advice received.

It gives a little extra weight and teeth to the process. But that is only one way. There are other ways that we can deal with this through the regulatory system, but I think at this stage that would be my recommendation to the minister.

MS ORR: You mentioned “some developments”. It seems like scale is a factor there. What are the developments that you are looking to apply the ongoing system to?

Mr Ponton: I am happy to receive the thoughts of Dr Brady or Ms Flanery, but I would be looking at the same criteria at this stage as the pre-DA consultation guidelines. Ms Flanery?

Ms Flanery: The design review panel, as Mr Ponton has noted, is in conjunction with the National Capital Authority. At this moment we are—we have been since the establishment of interim panel—working through what the thresholds are. Is it geographically based? Is it scale? Is it importance to the community? Is it a building? Is it a park or something? We are highly likely to come out with all of the information very soon.

MS ORR: You mentioned that the appointees to the panel could be from anywhere across Australia. Is there some sort of measure there to keep a balance between the fresh set of eyes that comes from an outsider's perspective and the local knowledge that comes from someone who is within the city?

Mr Ponton: Certainly, and that is the detail that we will need to work through in the coming weeks and perhaps months. But I think it is important to get the fresh eyes and also to be mindful and think about how we deal with potential conflicts of interest in the ACT, because a lot of the people you might otherwise draw on may well be involved inside these projects.

MS ORR: The blessing of being a small jurisdiction.

Mr Ponton: Indeed; so we are working through that at this point. Also, the ACT Government Architect will chair, or potentially co-chair if it is in a designated area, with the National Capital Authority.

MS ORR: That is probably all I had on that particular budget policy decision. I have another policy decision I wanted to ask you about. Caroline, did you have any supplementaries, because you were making comments before?

MS LE COUTEUR: I think you have covered pretty much all the design review. I had a question on design review, but I think you have done it.

MS ORR: No worries; glad to help. The other budget initiative I wanted to have a chat about was the urban renewal in Kenny, the early planning. Can you run me through what you are looking at doing for that—what work is needed, what you are expecting to do?

Mr Ponton: Given the level of detail for that particular project, I will ask Mr Fitzgerald to answer that question.

Mr Fitzgerald: That funding will look at the next phases of Kenny, understanding the constraints of Kenny and its interactions through to EPIC and how we can get the best out of both into the future. It is preliminary studies at this stage, looking at how it will all block and stack together.

Mr Rutledge: Ms Orr, Kenny is on the indicative land release program for 2021. So

this is really our first look at—

MS ORR: Is this the first scoping?

Mr Rutledge: Yes.

MS ORR: Because there has been a little bit of work done. I am trying to get an idea of—

Mr Rutledge: There has been work done. Yes, it is about both, as Mr Fitzgerald said, the interaction with EPIC but, I suppose, the next level of scoping for how EPIC and Kenny would work into the future for potential release in 2021.

MS ORR: Is this work being done by EPSDD?

Mr Ponton: That is correct.

MS ORR: So in house. We will still be looking at keeping Kenny for land release where the indicative land program indicates?

Mr Ponton: Yes.

MS ORR: So it is just another step?

Mr Rutledge: Yes, indeed.

MS ORR: The other budget measure I wanted to have a chat about—I think we have touched it on a little already—is the innovation in housing choices.

MS LEE: These are new substantives.

MS ORR: No, they are all under the same thing in the budget.

MS LEE: Everything is in the budget.

MS ORR: The acting chair can make a ruling.

MS LEE: Yes, funny how that comes on while your colleague is there in the chair.

THE ACTING CHAIR: Ms Lee, I note that we came back from morning tea at 11.30 and the line of questioning between you and Mr Parton took 35 minutes. So I am willing to indulge Ms Orr, given it is Friday.

MS ORR: I want to go over the demonstration project expression of interest and what you are finding from that.

Mr Rutledge: We saw a lot of interest in our demonstration housing project from architects, not-for-profit community groups and other proponents. We had 28 applicants, and they are being assessed. We are looking at a two-stage process. The idea of the demonstration housing project is to find things that cannot be done through

the current planning regime and demonstrate that they can be, such as co-housing. A few of them have simply been trying to build RZ2 into RZ1 zones, so not particularly demonstrative but still something that is not available under the planning regime.

In the first stage we are assessing those applications, and key to that is whether they are demonstrably different from what is available in a location. Some of them are ready to go—they have finance and land and they really just need what they see as a simple change. Some have a new concept altogether and have not identified land, so they are seeking that. They might prefer a geographic location and they have put that in their application.

We have been quite pleased with the level of interest. At this stage the first cut is more a completeness test than an evaluation. That first challenge is whether we are demonstrating something we have not seen in Canberra before

MS ORR: Have you had many come in that are demonstrably different? Can you give us a sneak peek?

Mr Rutledge: I will not be giving you a sneak peek, but I will say that the quality of what has come in has been quite good. The interest in the community demonstrates there is a need for this process, and we hope this two-stage assessment process will demonstrate that.

MS ORR: So the first stage is to determine whether there is something demonstrably different and the second stage is to action those?

Mr Rutledge: Yes: evaluate and see what level of support, be it regulatory support or the gifting of land or identification of a site. That evaluation will be quite difficult for the evaluation panel, so we will put a lot of time and effort into that stage. All 28 applicants are signalling that we have something to learn in that space. So even if they are not demonstrably different, the fact that they have applied through this process suggests there may be some confusion in the community around that.

MS ORR: You said they have all demonstrated that there is something to learn from it. What will be the process for taking those learnings and feeding them back into the planning system and the broader work you are doing?

Mr Rutledge: There are two steps. The initial assessment panel is drawn from across the directorate, so we are learning internally. The best thing we can do is a community engagement report, not with a series of recommendations but setting out what we have heard and what we have learned in the process.

Mr Ponton: This process, in addition to the housing choices collaboration hub, will also find its way into the considerations as we move into the Territory Plan review in 2019. In terms of the timing of all this work, an intentional logic has been applied to get us to the 2019 Territory Plan review.

Mr Gentleman: In June 2017 there was a resolution by the Legislative Assembly to do this work, so we have to report back to the Assembly on that, too.

MS LE COUTEUR: Given that many of them are looking for changes in the Territory Plan, if I were an applicant—which obviously I am not—what would be the time line? As a member of the planning committee I am aware that changes to the Territory Plan are not quick events.

Mr Ponton: The first step will be understanding as the review process runs its course what the nature of the changes are, because, of course, they will impact the time. In reality, if we are talking about significant changes, we need to make a decision working with the minister and seeking his views and ultimately his decision as whether you would run a formal Territory Plan process before the review or whether you would roll that into that process.

It is early stages at this point; it really comes down to the outcome of the evaluation process. I have not yet seen that, so I am not in a position to advise the minister at this point. That is quite intentional; it is important that the team take the evaluation process and then we can make decisions from that point.

MS LE COUTEUR: My understanding is that the two things, basically, that applicants are looking for are either changes to planning rules or assistance with finding a site. As to the latter part of the puzzle, have you been talking to colleagues in other parts of the government, in particular, ACT Housing? They have a number of sites which would appear to be ready for a refresh.

Mr Rutledge: It is probably too early to say where we will get to on that. You are right—there are many opportunities for renewal across the city. But reiterating what Mr Ponton was saying, I think we will see that these will all feed into the Territory Plan review. It is whether the demonstration housing project needs a one-off, site-specific change or whether wide-scale change is needed. Obviously the approach would be quite different to both of those.

Mr Fitzgerald: Part of the funding allocated through the budget process is for due diligence work so that we can get some of those sites ready for development and actually start that process as and when we have successful proposals.

MS LE COUTEUR: I could ask how many you think will be successful, but I think I know the answer—we have not got there yet.

Mr Rutledge: We certainly have not got there. Ms Orr, I talked up the numbers—I said there were 28 but there are 27. But, like Mr Ponton, I am not on the panel assessing them, so we will see how they go.

MS ORR: When do you anticipate the assessments will be completed and we will be hearing what exciting projects will be taken forward?

Mr Rutledge: The assessment process will happen this calendar year. We would like to see on-ground activity next calendar year.

MS ORR: Going back to the design review panel, Mr Ponton, can I get more detail on “outcomes-based planning”? I have some ideas—and would like to say great minds think alike—but it would be good to have clarity rather than assumptions.

Mr Ponton: When I talk about outcomes-based planning I am trying to challenge people to move away from thinking about individual buildings and to start to think about buildings within a city ecosystem. So, for me, whether a building is 16 storeys high is not the issue; it is about how that building sits within the landscape and how it impacts on the amenity for people using the building and walking or driving around the building.

The current system is very rules based—we think 16 storeys, three hours of sunlight, X number of car parking spaces and all the individual rules. From my perspective, we should be taking a step back and thinking for this particular locality—I come back to Red Hill—what is important about this locality, what is important to the local community and what is important in the context of broader Canberra. From there you start to think about how the site potentially contributes to that and also about broader government policies, such as a compact city. How can you achieve a compact city where people are saying they want high quality public spaces? You then start to have all those conversations and draw out the end game. That deliberative process results in a decision around the best outcome for that particular site.

It worries me when I go to community council meetings that I often hear a lot of debate about the height of a building or the type of glazing on a building but I do not hear about the impact of that building on the broader locality and what that means for individuals as they walk through that space. We need to make that shift and not focus necessarily on the height of a building or exactly where the entry is for the basement car park—let's think about the city as an ecosystem and how every part impacts on the other. Is that consistent with your thinking, Ms Orr?

MS ORR: Totally, yes. Is work still progressing on the Gungahlin town centre planning refresh and also the review into the signage code as an outcome of the billboards inquiry?

Mr Ponton: I can certainly talk about the current status of the Gungahlin planning refresh. That work certainly has taken longer than any of us would have liked, but I am pleased to say we will be in a position to provide a package to the minister for his consideration very soon. I would expect in coming weeks, subject to the minister's agreement, we should be in a position to go back to the community with our position on what we understand we have heard. I can say that with a degree of confidence, having had a conversation with the minister about the direction the work is taking. So Gungahlin is imminent, I am pleased to say.

Through that process we will also include a draft Territory Plan variation, not as the variation but to demonstrate to the community how the principles within the planning refresh will be interpreted. We have found in the past a disjunct between the two—the policy work is done and then some time later the rules and criteria are established. We want to combine those so that people can read it as a whole package and then, based on the feedback from that, we can move to the formal process for a Territory Plan variation.

Ms Flanery: We are making progress on the signs code; it is quite a complex and controversial issue. As recently as yesterday we had a very productive meeting with

our colleagues in Transport Canberra and City Services and Chief Minister's to refine the scope of what we are looking at. We do not have any immediate positions to put to you, but a working group is established and we are looking to bring people in from different areas as to how we might tackle the policy around signage. As you well know, it is a very complex issue.

Ms CHEYNE: But very important.

Ms Flanery: Very important. Is there any information you would like specifically?

MS ORR: No, just a broad general update. I have already lived through that inquiry.

THE CHAIR: We will suspend for the lunch break and resume again at 2 o'clock.

Hearing suspended from 12.33 to 2.01 pm.

THE CHAIR: Welcome back to the final session on environment and planning for today.

MR PARTON: Earlier in the day, Mr Ponton, you were waxing lyrical about the broader ongoing conversation regarding the plan moving forward and the consultation going on. You spoke a little about the process of potentially identifying areas for future greenfields developments. You fielded some questions about some rural leases. It always confuses me when we get to this point. I thought that the Chief Minister made it abundantly clear earlier in the year. I have been looking for the quote, but I have not found it. I am sure Mr Barr said that as far as he was concerned, there would be no new greenfields developments. I think in an ABC interview he said, "We've run out of land. We are pretty much like Singapore. There's nothing out there." I am just fascinated to get feedback.

Mr Ponton: At a point in time, Mr Parton.

MR PARTON: Right.

Mr Ponton: I think in relation to what I do recall—

MS CHEYNE: Land is finite.

Mr Ponton: I do recall the Chief Minister's comments. At a point in time; that is correct.

Mr Gentleman: I suppose from a government perspective, we need to include enough opportunity for land for future residential. We have a policy at the moment of 50 percent greenfields development, 50 per cent urban renewal: densification, if you like. That policy was challenged a little bit in *The Statement of Planning Intent* workshops where the community wanted to see a denser community and more urban infill than they wanted to see greenfields. They wanted to see that policy changed to 60-40, so 40 per cent only greenfields.

You are right: Mr Barr made a statement that, at a point in time, we will run out of

land. The challenge for us is to look at what we have available in the near future—in the next 20 to 30 years, for example—to see whether we should go to the east of Canberra to Kowen Forest. There is an opportunity to the west of Canberra. There is no more room to the north or the south, but there is to the west of Canberra, perhaps into some of those rural areas. We think at first blush that the move to Kowen Forest would be incredibly expensive and an infrastructure spend.

MR PARTON: What is the biggest reason that Kowen Forest would be expensive?

Mr Gentleman: The distance.

MR PARTON: Just the distance?

Mr Gentleman: You have to move infrastructure such as water, sewerage and electricity a great distance to Kowen, as opposed to the western edge, which is already close to infrastructure in the city. There is road infrastructure as well.

MR PARTON: All right.

Mr Gentleman: That decision has not been made yet, but it is certainly part of our thinking.

MR PARTON: Are you telling me that I misunderstood or misheard the Chief Minister? I thought he categorically stated that there were to be no greenfields developments after the planned greenfields developments we were talking about earlier, like Kenny; the things already in the pipeline.

Mr Ponton: First of all, in terms of the existing areas, we would need to look back at the 2012 existing planning strategy, which did identify future investigation areas for greenfields development. I am following the Chief Minister's thinking. It is not for me to comment on his behalf. I am sure he was thinking about what the current planning provides for. I understand that the Chief Minister was talking about quite a fair way in the out-years. In fact, I am advised that the reference was to the 2030s.

MR PARTON: Sorry?

Mr Rutledge: In the 2030s. The Chief Minister said there would be no more land to sell in the 2030s. There would be no additional greenfield development. He predicted that in the 2030s that could occur.

MR PARTON: Right, okay. Thank you.

Mr Ponton: I think that is an important point: it is a prediction that it could occur. But of course, that is why we have a planning agency. We will continue to do work in relation to the planning strategy, the planning strategy refresh. The existing strategy identifies that there are opportunities for further investigation. We will revisit that as part of this refresh.

MR PARTON: I was at a planning forum yesterday where Tony Powell suggested that, at current density in Canberra, it is his belief—based on his history in planning in

this area—that we could accommodate a million people here. Would you dismiss that as fanciful?

Mr Ponton: I think, in the first instance, I would need to understand the methodology that Mr Powell has used in forming that view. Without that information or the evidence before me, it would be difficult to form a view. I do not know whether one of my colleagues wanted to talk about the modelling that we have done. Is Mr Tennent here?

Mr Gentleman: Just before we go to Mr Tennent, it is worthwhile asking whether Canberrans want to live as Tony Powell has explained or whether they want to live as they have said in the interactions that they have had with us. They have said, ‘We’d like to see more density and more activity in the city with really good amenity, rather than a spread of greenfields.’”

MR PARTON: Yet they did not tend to say that in the Winton report, for argument’s sake. When they were specifically asked where they wanted to move to next, they said, “To a detached house”.

Mr Ponton: Keep in mind Mr Parton that the Winton report was a survey on a particular topic, whereas *The Statement of Planning Intent* engagement activities were a very deep dive on a range of planning issues at the high level.

Mr Tennent: I am happy to add some information to that. Certainly, as sort of custodian of the land release program, a key input is to look at not only what land is available but also preferences going forward. There are certainly pressures on the population front. You would have seen last week that the population has again surprised us: we have gone from 20 people per day now up to 25 people per day. We are balancing obviously the overarching need to look to create density across the city to try to accommodate population as well as really focus on a 50 urban and 50 greenfield split.

Interestingly, if you do the simple maths on the latest population figures—if you look at the 7,800 people; if you look at the demand for homes generated by 12 months worth of population growth—you see that you are looking at 3,100 new homes. Certainly, if you took on Mr Winton’s report that says that 75 per cent of those surveyed would prefer a single, detached house on a residential block and you did the maths on that, you would see that, at 500 square metres, we would need to be releasing about 2,000 hectares of greenfield land per annum.

Next year’s land release program targets about 100 hectares. We certainly have a challenge. We are certainly sitting at the table as part of a large team within the directorate and looking at the planning strategy currently. We are looking forward to providing that sort of input and advice going forward.

MR PARTON: Mr Tennent, you have just suggested that you are aiming for a 50-50 split between urban infill and greenfields. Mr Ponton, you were talking about 60-40, were you not?

Mr Ponton: No, that was my conversation about what we heard from *The Statement*

of Planning Intent workshops: a move to 60-40. The current policy is 50-50.

MR PARTON: Right, okay.

Dr Brady: If we keep spreading like Vegemite out across the territory it will mean that the environment is compromised. That is why I think we can see, as things grow in the future, and the population is growing, that we are probably going to see more infill. Those proportions will probably shift over time more towards infill because we have environmental limitations on where we can spread to.

MS ORR: Including a national park.

Dr Brady: Yes.

MR COE: Minister, do you really think we are spreading like Vegemite across the territory? Do you think there is a shortage of land in the territory?

Mr Gentleman: No, I never said we were spreading like Vegemite.

MR COE: No, that is what I asked you. Do you believe that?

Mr Gentleman: There is, yes, a finite amount of land in the territory. There is no doubt about it.

MR COE: Obviously there is a finite amount of land. But do you think we are we running out of land in the ACT?

Mr Gentleman: I think we will at some point, yes.

MR COE: But are we now?

Mr Gentleman: No. We have a strategic land release program, which takes us forward for at least the next couple of decades. But we are pretty tight at the end of that.

MS ORR: At the start of the discussion Mr Parton asked about outcomes. I think that this discussion started on outcomes. Can Mr Ponton give us a bit of an idea—if we are looking to outcomes based planning and getting good outcomes—about the city's shape and form, and the location of things? You were talking about developing up at Kowen and the different parts of that. What are the outcomes of that for people living in the city?

Mr Ponton: Thank you for the question, Ms Orr. This is linked to what I understand Mr Powell talked about yesterday. I did not get to attend the session—regrettably I was not invited to the session—but I did see a copy of the speech. Density does not need to be bad. If we can achieve density in the revitalisation of our existing urban areas and if we do that well, so think about the outcomes, then we can ensure that we do not create other problems which essentially sprawl can create.

If we continue to expand the city, we need to think about how we cater for that growth

in terms of transport. If the land is cheaper the further you move out, do we necessarily want to be moving people who cannot afford the inner suburbs further and further out when they therefore will have to spend potentially more on transport costs? There are other relevant considerations in terms of a range of other services that the community necessarily requires. This comes back to what I was talking about earlier. There are so many factors that planning needs to consider: providing for housing choice within the inner areas so that they are not just exclusive expensive areas; providing opportunities for affordable housing in those inner areas that can be accommodated to increased density; and then thinking about how we provide for the improved public spaces for those people to recreate essentially. Does Dr Brady want to add anything else in relation to that question from a planning perspective?

Dr Brady: No thank you.

MR COE: With regard to policy decisions about the mode in which land is released, whether you are talking about englobo, joint ventures or whatever, who actually makes that call?

Mr Gentleman: The government actually makes that call.

MR COE: Is it the SLA, is it cabinet or is it EPSDD? Who actually makes that determination?

Mr Gentleman: It is the Suburban Land Agency.

MR COE: It is not a decision of cabinet?

Mr Gentleman: Certainly, the information goes to cabinet in regard to the number of lots released. I take a paper to cabinet. It agrees on the number of lots to be released. Then it is over to the SLA to determine which of those lots will be developed over the period of time.

MR COE: Yes, but I asked about mode of delivery.

Mr Ponton: And the how, yes.

MR COE: Right. So they have complete autonomy as to whether it is a JV, done in-house or done englobo?

Mr Ponton: The Suburban Land Agency does have a governing board, yes.

MR COE: With regard to the news about Lawson being done as an englobo development, that decision was not done by cabinet?

Mr Ponton: I have somebody from the Suburban Land Agency here if you would like to—

MR COE: I am just curious as to—

Mr Gentleman: This was for the next session but—

MS ORR: They start at 3.15.

MR COE: I know but this is about the strategy, though.

Mr Ponton: The short answer is that it is the Suburban Land Agency, as I have said. I am happy to say it again, but I am just—

MR COE: Does the government at large have a policy on the mode of delivery for land release?

Mr Gentleman: I think the policy is the best means of delivery, and we take advice from SLA.

THE CHAIR: What constitutes the best means of delivery?

Mr Gentleman: The advice that we get, whether it is through the best rate of return, the best social outcomes. There are quite a number of factors in it.

Mr Ponton: Again, I just add that that is why we have an expert governing board for the Suburban Land Agency. They are best placed to make those decisions in relation to the expertise that they bring to the table.

MR COE: With regard to land for community use, again, is that a decision of EPSDD or the Suburban Land Agency?

Mr Ponton: Are you talking about the zoning?

MR COE: Primarily, and then to an extent the actual release of the blocks as well.

Mr Ponton: Yes. The zoning certainly is captured by the planning authority and the recommendations it makes to the minister and, in turn, to the government in relation to the Territory Plan, essentially, the yellow land. In relation to sites to be released for community facilities, that is a decision of the government through the land release program. But, then, when it gets to the point of selling and the best method to sell the land, that is a decision for the Suburban Land Agency.

MR COE: Take, for instance, an englobo suburb that needs to have an estate plan prepared.

Mr Ponton: Yes.

MR COE: Who is actually the proponent of the estate plan?

Mr Ponton: That depends on whether it is a government estate or it is a private sector estate.

MR COE: If it is an englobo estate such as Lawson—

Mr Ponton: Yes.

MR COE: who is going to determine whether or not there is CFZ land there?

Mr Ponton: That will have been, and has been, identified through the structure plan; so that is through the Planning and Land Authority.

MR COE: But in terms of the specific sites, that will be up to—

Mr Ponton: If you have a look at the structure plans, Mr Coe, you will find that they tend to be more blobby, for want of a better term, in terms of identifying that this—

MR COE: Or conceptual.

Mr Ponton: Yes, this is the general area where we need to have community facilities; this is the general area where we are wanting to see commercial land. The structure plan will include details about the extent of that in terms of expected land area. That then becomes part of the statute in terms of what needs to be considered by the planning authority in approving the estate development plan. In terms of the fine grain, that is then settled through the assessment process, mindful of the principles that have been established through the structure plan.

MR COE: Obviously, there is a broad range of outcomes that can occur on CFZ. Of course, there could be social housing, it could be a church or it could be even a retirement village. They are, obviously, totally different in terms of their capacity to pay for land. Do you just open that up as land for CFZ in the broader sense or will you actually say, “This land could be for a temple or a church” because they obviously cannot compete with a commercial retirement village?

Mr Ponton: Ordinarily, the land is identified for a particular purpose. Mr Tennent might be able to talk a little more about the work that is done to actually understand what the needs are for a particular community. Then that can either be provided for sale to the open market for a particular use that would be determined within the crown lease itself or it could also be achieved through a direct sale. I will ask Mr Tennent to talk a little more about the work that he does in his team.

Mr Tennent: The whole discussion at the moment about community facility land is running pretty strongly. Certainly, the planning for future community facilities is something that is going to be addressed as part of the planning strategy refresh. In terms of the land that currently exists in urban areas, there are many properties that the government have ownership of that sometimes come to the end of their economic life and they are put out to market under a community facility zoning.

Certainly, there are sites planned in new and infill areas that have a CF zoning as well, which then brings the government to decisions around whether the land goes out at what we refer to as a higher use for a community facility. Typically, aged care, medical facility and child care are the three more predominant, I guess, higher uses for CF land.

In terms of the lower order uses, whether it is a youth group, a scout group or a church, the typical pathway in the past has been for a direct sale to those proponents as they

come in the door. There is a considerable piece of work going on at the moment to look at that policy and look at a better, more equitable and transparent way in which we can provide land opportunities to those organisations that have less capacity to pay. That piece of work is continuing at the moment.

MR COE: Who makes the call about whether you do have a lower use on CFZ?

Mr Tennent: In the past, it has been dictated essentially by, I guess, the method by which these groups approach government, which is essentially to apply via the direct sales provision. That then triggers—well, sorry, triggered because it is currently on pause at the moment—quite a lot of work around due diligence, availability of sites, location of sites, and then a further discussion about existing properties that might cater for that use as well.

MS LE COUTEUR: Is part of this discussion de-concessionalisation? When you look at sites being de-concessionalised, do you look at, say, “We have five other possible concessional uses in that area,” or are the two totally independent?

Mr Tennent: The work that we are progressing around the policy for the release of CF land into the future is not looking specifically at the treatment of de-concessionalisation.

Mr Ponton: But, having said that, I am happy to add that in considering an application to de-concessionalise a crown lease and provide advice to the minister, a social impact assessment is undertaken. The social impact assessment is essentially required in order to understand what the needs for the broader community are for that particular use. That is then reviewed by our social planners before advice is provided to the minister before he makes a decision.

MS LE COUTEUR: If you were given a list of X number of other organisations who would like access, would that be part of your considerations?

Mr Ponton: Absolutely, yes. Mr Tennent has been talking about community facilities land; so the yellow land on the Territory Plan map. Just because of the nature of the types of concessional leases, we find that a large proportion of the ones that we are seeing that are seeking de-concessionalisation tend to be more on commercially zoned land.

MR COE: Mr Tennent mentioned that a body of work is happening on direct sales. How long will the freeze on direct sales be in existence?

Mr Gentleman: We expect that piece of work to be completed by the end of this year.

MR COE: When did the freeze start?

Mr Tennent: I think the freeze was put on two to three months ago.

Mr Ponton: We can confirm the exact date, if you would like, Mr Coe.

MR COE: Yes, if you could. Eight or nine months is a long time for no direct sales to

community groups in the ACT.

Mr Ponton: We can provide that on notice.

Mr Gentleman: Quite a bit of study is to be done on what has occurred in relation to direct sales opportunities for purchasers and whether the land could have been used for different purposes or for a larger hierarchy, if you like.

We are also looking at some of the areas being used for social activity, like clubs for example, to see whether the determinations at the time were the best value for the territory. Some clubs may have large swathes of land that are hardly ever used. This is part of the work that is going on and we will be able to report back when that is completed.

MR COE: Was the old system so broken that you could not continue the previous policy and you had to, in effect, put everything on hold while you address what seem to be fundamental issues?

Mr Gentleman: They certainly are fundamental as to whether we are getting the best use out of those land packages for the community. I think it was a very strident decision to put on hold the rest of the direct sales that were ready to go while we do this study. That does not mean they will not occur at the end, but we are looking to see whether they are providing the best use of that land for the Canberra community.

Mr Tennent: The driving force behind revisiting the policy is that we are down to about 67 developable CF blocks in the urban area and some of the requirements of some of these community organisations are quite significant. We needed to pause and look at other opportunities and other methods we might come forward with for these organisations.

MR COE: Was there a particular incident or sale that sparked this freeze?

Mr Gentleman: No, only in regard to the amount of land left.

MR COE: But it did not happen overnight—67 blocks, at one point there were 68 blocks and 69 and 70. What made you decide that 67 blocks is it?

Mr Ponton: There comes a point when one has to make a decision. Through the ongoing work Mr Tennent and his team do they came to the conclusion we needed to provide advice to the government about making changes. That is essentially what prompted that.

MR COE: What information came to light which brought about—

Mr Ponton: I think I answered the question, Mr Coe.

MR COE: No, you did not. You just said there was a point. I want to know what information came to light which, in effect, sparked that advice going to the minister?

Mr Ponton: The ongoing analysis of Mr Tennent and his team. I cannot point to a

particular piece of information. That is policy work, Mr Coe: you take a range of inputs and over time you develop your thoughts.

MR COE: And the recommendation was for no more direct sales?

Mr Gentleman: No. The recommendation to me was that we should put a hold on the current process of direct sales until we can do enough of this study to see whether this is the best outcome for the Canberra community. There was good advice.

MR COE: Were any recommendations or advice from the Auditor-General relevant in this decision-making?

Mr Gentleman: I do not recall any advice, no.

Mr Ponton: No.

Mr Tennent: No. Independent of that. To put some perspective on it, for the particular type of direct sale currently on hold we have been averaging two sales per annum. Currently five parties have been advised that their applications are on hold. We are coming back to them before the end of the year with what we think will be a far more equitable and transparent process for those organisations. Noting that some of these direct sales take upwards of four to five years to develop over time, it is not a quick and easy process; a lot of work is involved.

MR COE: Are people still able to apply for direct sales?

Mr Tennent: Not at this stage.

MR COE: Are people able to express an interest at the moment?

Mr Gentleman: I suppose they could write to the directorate or me or a government member or government with an expression of interest. But at this stage we have put direct sales on hold whilst we do this work, therefore, any process would occur after that.

MR PARTON: If there is such concern that only a small amount of CF zones remain, I assume that there will not be any turnaround in the indication from the housing minister that more supportive housing will be considered on CF zones?

Mr Gentleman: I do not think those policies are interrelated.

MR PARTON: They are not related at all?

THE CHAIR: How is the sale of CFZ land not related to the use of CFZ land for other government purposes such as housing?

Mr Gentleman: No, I said the policy on direct sale in this case was not interrelated with sale for public housing. That is not the reason we made this decision.

MR PARTON: We have arrived at this decision that there is a shortage and we have

to go through this forensic exercise to make sure the CF zones are used to specifically benefit the community in the best way possible, and I am wondering how that will reflect on any potential decision to include public housing on CFZ?

Mr Gentleman: It may, but that is not the reason we did this process. It is about the best use for those sales. Interestingly, it was the types of sales that were occurring, that is, what is the benefit to the community for this particular site being sold to this particular entity? It may be a benefit for the people close to that entity, but is it a benefit for the whole community? They are the things we have to look at.

MS CHEYNE: How will the money for due diligence for urban renewal be spent? What does it actually mean?

Mr Fitzgerald: The due diligence money is spread across a number of sites: sites related to commercial direct sales and other urban renewal sites. A lot of what we do is in relation to heritage and environmental constraints and traffic reports. It is basically an allocation because we do not know at this time what we will have. That is consistent with urban renewal at the moment, that is, we have proposals from particularly the commercial sector and then we have to go through that due diligence process and make sure they are ready to go into the indicative land release program or into future release.

MS CHEYNE: What factors are you taking into account?

Mr Fitzgerald: For any given site the factors will change a lot. Environmental factors play a big part, as do heritage concerns, tree surveys. We look at site constraints, the potential yield on the site and the potential use for the site in the future. Traffic studies impact on how we use the site and how it can be released. That informs some of the work we do for the indicative land release program.

Mr Rutledge: Ms Cheyne, as you see in the budget paper, that is additional money. It is a fungible budget, but we expect to fund around \$3.39 million of due diligence work next year. So that is \$1.49 million additional to money we already have.

MS CHEYNE: Why have we got additional this year?

Mr Rutledge: Because the growth of our city means that we are doing additional work.

Mr Fitzgerald: It also includes a portion of site servicing work. This due diligence money enables us to bring a site to market. That may be stormwater ties, driveway connections and that type of minor servicing works to enable a property to be sold to the market. This year, as an example, there are some sites in Greenway which we have money to service. That is part of an existing community facility direct sale to the Salvation Army that we are doing the site preparation work for.

MS CHEYNE: So you are bringing it up to the standard?

Mr Fitzgerald: Yes, exactly.

MS CHEYNE: That is helpful for me to picture. Could you give another example of something you have done in the past?

Mr Fitzgerald: Other examples are in relation to potential ACT property group properties surplus to our needs. We will do tree assessments on those properties, we will look at potential contamination issues, demolition costs and those types of issues. Each year we do a forecast of our likely due diligence based on the indicative land release program and other planning documents so we can bring those properties to market as and when required. Some of that work will involve assisting the City Renewal Authority to do due diligence work for sites within the city.

MS CHEYNE: Belconnen town centre has quite a lot of sites on the land release program, as it always does. In particular, is the old remand centre a site that due diligence would be applied to before it went to market?

Mr Fitzgerald: Exactly.

Mr Rutledge: Early planning and a decision on whether to demolish would be made. Macarthur House on Northbourne Avenue is another example; we are preparing that site for sale. We go through the process of soil testing, looking at trees, looking at any heritage concerns et cetera and then making a decision. In that case demolition is being undertaken to ready for urban renewal into the future.

MS LE COUTEUR: Thank you, Ms Cheyne, because that was one of my potential questions.

MS CHEYNE: You are welcome. It is all about efficiency over here.

MS LE COUTEUR: I will go to the land release program. I have a list of lovely things, which are on the program. Callam Offices, not surprisingly, given I am the member for Murrumbidgee, is on the top of my list. What are you planning? It says 100 dwellings. It is for 2021-22—100 dwellings. What are our plans?

Mr Tennent: Having it on the land release program triggers the due diligence that Mr Fitzgerald was just talking about. Certainly the Woden master plan does allow for a level of redevelopment in the Callam precinct. As land strategists responsible for the land release program, we look at those master plans and start to strategise ahead to when something might come to market.

Importantly, having it on the land release program triggers that due diligence to occur. My understanding is that no detailed work is currently underway. I know that plenty of reports have been written on Callam over the years. The intention will be to very much tie-in with what the master plan was looking at, noting that a lot of the consideration of Callam is very much dependent now on what the government might choose to do on light rail stage 2.

MS LE COUTEUR: Other things might be considered. Regarding the plans for the Callam Offices themselves, is what you are doing considering what will be done to the actual Callam Offices themselves? Is the housing likely to include social housing of any form?

Mr Tennent: What I can say is that, certainly while it mentions Callam Offices, it is section 80, which is a considerable piece of land that surrounds Callam Offices. We absolutely acknowledge the heritage value of Callam Offices, so there are very clear limitations as to what can happen to that actual building.

In terms of a consideration of social, public or affordable housing on that site going forward, that will come up I guess for assessment when we do that affordable housing target in 2021, which will go out with the land release program. You will see, as the discussion goes to the affordable housing targets, that there is clearly a refocusing of the policy back into urban renewal areas. It would come as no surprise that that would be looked at very closely, to try to get social, public or affordable housing on that site.

MS LE COUTEUR: Great. Moving slightly south: the Athlon Drive land is scheduled for release in 2021, which really surprised me. My understanding is that—I do not know what stage—light rail stage x would be going along Athlon Drive. My understanding was that you got a better return for your land if you sold it next to a light rail that would be imminently there, rather than one that would appear to be a long time away at this point of time. Is this a consideration?

Mr Gentleman: Certainly we want to try to get the best returns. But of course we need to free up land that is available for those who want to live in Canberra in this four-year land release program as well. There are those processes to consider at the same time.

MS LE COUTEUR: We need to do this because we have not got enough land in the next four years?

Mr Ponton: It is about providing the opportunity for choice in various parts of Canberra, Ms Le Couteur, in relation to future housing. It would be a challenging position to take to say that we should not release any land along any potential future light rail corridor. We need to cater for growth now.

MS LE COUTEUR: You do not see the planning benefit of light rail as being certainty?

Mr Ponton: It is about timing.

MS LE COUTEUR: I am really surprised by that answer. I always thought that was one of the big pluses. Stromlo Forest Park is in the program. I assume you are not selling the park. What are you planning on selling?

Mr Ponton: I would love to say yes we are.

MS LE COUTEUR: We could have the *Canberra Times* headline if you want to say yes. But I am thinking that possibly you are not.

Mr Ponton: We will not say that. I will look to Mr Tennent to provide some more detail.

MS LE COUTEUR: You actually are selling?

Mr Tennent: No, we are not selling the park. The Stromlo Forest Park entry on the land release program is for the first of the onsite accommodation complexes. In recent times we have been in very close conversations with territory venues and events about what sort of model they might look at going forward. Certainly the word “sublease” has been first and foremost in discussions about how that land will go out. At the moment there is quite a deal of due diligence going on, given that the leisure centre is also about to start work.

Indeed, I understand that the territory venues and events will have another look at the master plan now that they are a bit wiser about some of the bushfire risks that exist in Stromlo Forest Park. Even with all of those things together, we still think that we would be on track to release a site for accommodation according to what we have in the program.

MS LE COUTEUR: It is likely to be low cost accommodation, school groups or groups using Forest Park?

Mr Tennent: Yes, it is. Part of the Molonglo Stromlo Forest Park planning exercise was to try to integrate different levels of accommodations. They are certainly down on the main drag. Is that John Gorton Drive?

MS LE COUTEUR: John Gorton.

Mr Tennent: John Gorton Drive. There are a number of CZ5 hotel type sites there. Naturally we would get a good mix of accommodation within the urban area. Stromlo Forest Park has been very much earmarked for lower cost accommodation: more a sort of leisure park, camping, and caravan type approach.

MS LE COUTEUR: Oaks Estate, again 2020-21. Have you started discussing this with the local community?

Mr Tennent: I do not believe so, no. There has not been any consultation outside I think the Oaks Estate master plan work. Again, the master plan—

MS LE COUTEUR: Has been around for a long time.

Mr Tennent: It has been around for a while. It has identified those opportunities. We have put those onto the program accordingly.

MS LE COUTEUR: This is somewhere you will be using some of that due diligence money? There are considerable heritage and other issues there.

Mr Tennent: That is correct. Just as Mr Fitzgerald has some due diligence money, we have some as well on the greenfield side. Whether Bruce or I spend the money on it, yes there will be some work done on it in the lead up to the release.

MS LE COUTEUR: You will be pleased to know this is my last one. Eastlake: what land is going to be sold and what issues have been there? I can remember a number of

years ago the government did a lot of work on Eastlake. It then ground to a halt on asbestos contamination issues.

Mr Tennent: Yes. Eastlake is on the program. Again, it triggers that ongoing focus. It triggers that ongoing due diligence work and commitment to spend money on it. Some early in-house planning work has been done on it. It has been a live issue for some time. There are challenges. I am not fully up to speed on the contamination issues. I am certainly aware that they exist. The relocation of some large infrastructure around the substation there is another one as well. Then there is the future treatment of the railyards there. There are quite a lot of things to consider.

Mr Rutledge: As you can see from the indicative land release program, Ms Le Couteur, it is subject to a territory plan variation before anything is released on that site. Although it has been well studied and there is previous history of contamination reports et cetera, additional work will be required, either through in-house due diligence or additional investment. There is then additional planning and a territory plan variation before residential dwellings will be released in Eastlake.

MR PARTON: Housing affordability has been a robust topic of conversation in this town. So much of the triggers for it and the core of it are based on decisions that are essentially made by some people in this room. Land cost is very clearly one of the main reasons behind the housing market's affordability problems. Given that the various agencies over the years that have sold land to Canberrans—and those that are in the big offices there—have made it clear publicly that their prime concern is maximising that asset, in terms of making as much money for the territory as they can, what are we doing to at least cap those costs, or bring them down or address housing affordability from that end?

Mr Ponton: I will start with answering that question. I think the first part of the question was in relation to some reported comments around maximising profits. If that is a reference to the Suburban Land Agency, I think it would be useful, perhaps in our next session, to ask my colleague, Mr Dietz, about the detail of that comment because in fact he said more than that. That was part of the discussion.

As I recall, I think at the time he was talking about a need to ensure that there is the best return for the territory. That has to be done understanding the social obligations that the Suburban Land Agency has. In fact, under the legislation it is a requirement that those social outcomes are considered. I am sure you can ask Mr Dietz more about that when he sits at the table in the next hour.

In relation to the work being done around housing affordability, a housing structure is being developed. Whilst I could talk about that now, it is within the portfolio responsibility of Ms Berry. Again I suggest that we have that conversation in the next hour.

MR PARTON: In its purest form, does not restricting the supply—particularly when the budget acknowledges the demand for detached dwellings is high; I know that we have spoken about these processes going on in regards to visions for a compact city—of detached blocks artificially increase the price of land?

Mr Ponton: That is based on the premise that we are restricting supply. I have not seen the evidence that we are restricting supply.

MR PARTON: When we see the mix, the type of land being developed for the type of dwelling, it looks like restriction of supply to me.

Mr Ponton: Of course, the mix is based on analysis that Mr Tennent and his team do in terms of the overall demand for different housing typologies.

MR PARTON: Right.

Mr Ponton: We base the work that we do on evidence. Mr Tennent and his team spend a lot of time crunching the numbers in terms of understanding what the market is telling us, what the population stats are telling us in terms of the makeup of households: whether they are single-person households, the number of single-person households versus families, and the makeup of those families. All of these things are factors that come into play in making recommendations to the government in relation to the land release program.

MR PARTON: How is it then that there is such a differential between the price of land per square metre here and land over the border where there are many more blocks released for detached housing?

Mr Ponton: I would need to look to Mr Tennent. I am not entirely convinced that the premise of that question is correct.

Mr Tennent: The demand for single residential housing in the ACT is very high. If we were to satisfy that, it would fundamentally shift away from some other larger policy objectives of government. In terms of the price of land, the proxy for talking about the price of land is the single residential detached block. If you look closely at the other types of blocks offered to market, particularly the compact blocks and particularly the average price of the land component of a medium to high density multi-unit development, you see that those prices have not moved much at all in the past three years. Again, yes, the focus is very much on that single residential.

When we put the land release program together, pretty much the first thing we do is look at absolutely maxing out as many single residential blocks as we can get from the developable area. There is certainly no restriction of supply when it comes to that. In terms of supply matching demand, we absolutely acknowledge that demand is higher than what we can supply. But as I said, there are other objectives here within government.

In terms of price per square metre, I mean absolutely; Throsby last year, in Gungahlin, was the one that topped the charts at about \$970 per square metre. But at the same time, when we look at the relative prices across the border in Googong and certainly parts of Queanbeyan we start to see prices of \$500 to \$700 per square metre, which matches what we are doing in Moncrieff. It matches what we did in Lawson.

It is interesting when you look at the average cost per square metre of Mr Fluffy blocks. Some of the lower cost blocks, and many of these sold in the past six months,

average anywhere from 450 up to 550 per square metre. There has been an unnecessary focus on a very specific supply of high-end single residential as being the proxy for land prices across the ACT. Below that headline number, there is a big mix of other types of land that, in pure maths form, is affordable for many households within the ACT.

MR PARTON: Thank you.

MS CHEYNE: I get confused whether these are questions for you or for SLA.

Mr Ponton: Yes, agreed.

MS CHEYNE: Perhaps that is my question. Is there somewhere online that shows the delineation? At least, could a document be prepared for us about what topics are for you and what topics are for SLA? SLA is doing some of the land release; right? I have a question about the water police site in Belconnen that went to market and has been taken off the market. Is that you or is that SLA?

Mr Ponton: That would be the Suburban Land Agency.

MS CHEYNE: Excellent.

Mr Ponton: I think the simplest way to think about the delineation is if it is policy-related, it is the directorate, if it is delivery, it is the Suburban Land Agency. In that case, it is the sales, the delivery. It is Suburban Land Agency.

MS CHEYNE: So is the announcement last night or this morning about the land release for Lawson the Suburban Land Agency?

Mr Ponton: Indeed, yes.

MS CHEYNE: But if we were talking about trends in the market, that is you?

Mr Ponton: Yes, or the preparation.

MS CHEYNE: You are feeding that information to the Suburban Land Agency to inform their decisions about what land to release, when?

Mr Ponton: We work very closely with the Suburban Land Agency. Even in developing the land release program, which is a policy matter, and we take that to government for a decision, we do not do that in isolation, as I was saying earlier to Mr Parton. We take into account a lot of considerations in making those recommendations, in terms of the overarching evidence, but also the on-the-ground feedback that we get from the Suburban Land Agency.

MS CHEYNE: Is the indicative land release program you?

Mr Ponton: We develop that and make recommendations to—

MS CHEYNE: But the people who release the land are the Suburban Land Agency?

Mr Ponton: Yes, they deliver the land to market.

MS CHEYNE: I do have questions, if you could bear with me for a moment. I noticed some sites in the Belconnen town centre. I think the one I am thinking of is the one across from the Belconnen Community Centre, the car park there that has had a sign up for about four years saying that it is identified for future land release, which has caused much confusion. For as long as I have been interested in this area, I have noticed that it has been on the land release program but always, kind of, for years in the future. But this year it is not. It actually seems like it is much sooner. I have this information in front of me but I am not quick enough to find it. There has clearly been some thinking behind bringing it forward. What influenced that?

Mr Ponton: I might make some initial comments, then I will hand over to Mr Tennent but in terms of—

MS CHEYNE: It is a massive site.

Mr Ponton: The fact that it is an indicative land release program often means that what you will see in the outyears—in years three and four—is that they are the sites that we know we are going to need to do a lot more work on and the due diligence that you heard about earlier. As we undertake that due diligence and we get to better understand what the constraints are for the site, the servicing requirements and the like, that allows us, whilst also considering the market information—the demographics and all those other things that I was talking about earlier—when the time is right, to then bring that forward. I will ask Mr Tennent to add to that.

Mr Tennent: Specifically with Belconnen, yes, you are right, it was sort of sitting at year 4 for quite a number of years, just indicating obviously the government's intent to release it at some time in the future. In assessing the supply of both greenfield and infill opportunities as part of the development of the new land release program, we did commission some work on unit absorption within town centres.

The work clearly showed that the absorption was higher. Again, it came as no surprise when those population figures came out last week to suggest that we are underestimating the pace at which the city is growing. Based on the market analysis that was done and based on some other inquiries throughout the Belconnen town centre, particularly in the private development sector, and based on the advice of our residential advisory committee—sorry, not the advice; let us just say the views—we considered bringing it forward. So we put it into 2019-20. There is still, obviously, plenty of thinking to do between now and 2019-20, so depending on—

MS CHEYNE: Which is a year away.

Mr Tennent: Yes. The market can change in 12 months quite significantly. As Mr Ponton said, there is always the opportunity to—

MS CHEYNE: I appreciate it is indicative.

Mr Tennent: hold that over, depending on more recent advice.

MS CHEYNE: This residents advisory committee, is there anyone actually from Belconnen on it?

Mr Tennent: They represent industry groups—it is the HIA, MBA, the Property Council, the Institute of Engineers, the valuers, the real estate sector. It is less about, I guess, representation from a particular geographic location but more representation from industry groups.

MS CHEYNE: That is an interesting name for it. It gives the impression that there are actually residents on it.

Mr Tennent: Yes, it is a residential advisory committee.

MS CHEYNE: Yes, residential.

Mr Tennent: So, yes, it is advice on the release of residential land.

MS CHEYNE: Okay. I think the reason I am asking is that the Geocon site—Republic, Dusk, High Society; whatever they are calling it at this point in time—is adding almost 1,500 new apartments. Any time we have talked about releasing more land in the town centre over the past five to seven years, people have asked, “Where is the demand coming from?” This is especially so when other developments have been between 200 to 300 apartments. But the Geocon site is enormous. I know they have said they have now got approval or help to get it all constructed in a very short time frame. I am curious about what your thinking is in terms of releasing more land. Is the absorption rate or the take-up rate such that the demand is there and we have just got to keep pace with it in the town centre?

Mr Tennent: Yes, the demand—

MS CHEYNE: It is the place to be, I will put that on the record.

Mr Tennent: Nice problem to have; maybe not. Again, our market advice is that the absorption rate is there. Importantly, in developing any town centre, it is nice to give the customer choice. Rather than waiting for just one large development to sell before we release another site, it is good to have a number of opportunities within the town centre from which people can pick and choose. You will see that in what we have done in Woden. We have done that in Gungahlin as well. There is a strategy behind that as well to try to offer that sort of choice to the homebuyer as well.

MS CHEYNE: I do not know whether this is a question for you. You might have heard the comments that the Minister for Women made the other day about some advertising by a certain company. I note that there is some advertising sometimes on cladding for some new developments that is a bit risqué. I do not have to name anyone, but I am sure some people can think of them. Is there any policy within the directorate more broadly about what should be advertised on new land or on land that is being developed? This is not a question for here. The more I say, the more I realise it is not.

Mr Ponton: That is okay. What I might do, Ms Cheyne, is talk with my colleague,

Dave Peffer, in relation to what compliance action might be able to be taken in relation to such signage. But it is not a policy question. It would be more for the planning authority in any event with compliance through Access Canberra. I am happy to follow that up separately.

MS CHEYNE: Thank you.

THE CHAIR: Thank you, minister. I think that draws our time to an end. The committee will suspend whilst we change over to Minister Berry.

Hearing suspended from 3.01 to 3.14 pm.

Appearances:

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

Environment, Planning and Sustainable Development Directorate

Ponton, Mr Ben, Director-General

Tennent, Mr Simon, Acting Director, Land Development Projects

Dietz, Mr John, Chief Executive Officer, Suburban Land Agency

Gordon, Mr Tom, Executive Director, Greenfields, Suburban Land Agency

Peters, Mr Clint, Acting Director, Urban Projects, Sales and Marketing, Suburban Land Agency

Fitzgerald, Mr Bruce, Executive Director, Urban Renewal

THE ACTING CHAIR: We are now on output class 4, land strategy and urban renewal, including the Suburban Land Agency; and output 6.1, the public housing renewal task force.

Ms Berry: I was going to outline who has responsibility for the Suburban Land Agency and EPSDD and the relationship between them, but I understand that has already been done.

Mr Ponton: To some extent.

THE ACTING CHAIR: If you have something to add it would be beneficial to the committee.

Ms Berry: There has been a change in the way the directorates work together. We have been working very closely in the past 12 months with the new Suburban Land Agency and the Chief Executive Officer to make sure that we are getting the work that the Suburban Land Agency is responsible for including the planning part of it. What works for me is to simply say the planning work happens with the planning directorate and the development or delivery arm happens with the Suburban Land Agency. That is the best way to separate the work they are responsible for.

MR PARTON: I have a couple of contentious questions in regard to whether they are allowable. I know that a case is before ACAT regarding the public housing development at Chapman but, nevertheless, I feel that a number of these questions are specifically nuts and bolts questions about that development, and I want to run them up the flagpole and see if I can get a response to them.

My understanding is that after a directions hearing at ACAT on the CF zone at Chapman the government was sent away with a number of things to fix, one of them being that there was no lease on the block at Chapman. Of course, the lease is pretty important, so what is the lease status of the block in question at Chapman? Is there a lease?

Ms Berry: Yes. We can provide some information on those questions. I do not think

they are contentious at all. I am very happy to provide some more information for you. I will ask Bruce Fitzgerald to give that detail to you.

Mr Fitzgerald: As you mentioned, that decision is currently being appealed so I do not want to go into it too much to avoid prejudicing either case. But I can say that we registered a new lease on 15 June, the purpose of which was to enable supportive housing to be developed on that site.

MR PARTON: Is it a concessional lease?

Mr Fitzgerald: It is, as I understand it. I will have to clarify that.

MR PARTON: Does that concessional lease not require notification to the Assembly as a disallowable instrument?

Mr Fitzgerald: That is the aspect I will need to clarify.

Mr Ponton: In terms of disallowable concessional leases, no, but there is a requirement to table leases that have been issued. That includes a range of different types of leases, and that occurs every quarter as a matter of course.

MR PARTON: Given that this change was only made on June 15—

Mr Ponton: It will be tabled in the next round.

MR PARTON: My understanding is that to lease the land it needed to be subdivided.

Mr Fitzgerald: It was unleased territory land, so it has been subdivided as part of that process because the entire block is not required for public housing.

MR PARTON: Again, my understanding is that under the Planning and Development Act 2007 that would require another DA with full consultation?

Mr Ponton: The short answer is no, because it is unleased land.

MR PARTON: How many blocks now comprise that original CFZ at Chapman? When you say it has been subdivided, how many blocks does it now comprise?

Mr Fitzgerald: As I understand, there are three blocks, but I will take that on notice.

MR PARTON: Please excuse my ignorance, but I do not fully understand why that parcel of land had to be subdivided. Will there be separate purposes for each block?

Mr Fitzgerald: The reason for the subdivision is one of land custodianship: Housing ACT will then have a boundary in which to maintain their property and the other portions of the land would fall to TCCS for maintenance.

MR PARTON: As CFZ land?

Mr Fitzgerald: That is correct.

MR PARTON: So similar to what is going on at Wright but on a different scale?

Mr Fitzgerald: On a different scale, that is correct.

MR PARTON: Surely that subdivision amends the Territory Plan?

Mr Fitzgerald: No, we are not changing the Territory Plan. Both blocks remain as community facility zoned land.

MR PARTON: I might now be straying into other territory, but my understanding is that the entity advice upon which the DA was approved was based on a development application not for supportive housing but for a multi-unit development?

Mr Fitzgerald: We are probably straying into the realms of the ACAT appeal.

Mr Ponton: I have to agree with that. I think this line of questioning could be problematic moving forward.

MR PARTON: I think it probably is, too, but I was going to try.

MR COE: Minister, can you advise at what SLA board meeting the decision about the Lawson mode of delivery, that is, englobo, was made?

Ms Berry: I will ask the chief executive officer to provide you with some of that information.

Mr Dietz: The decision for an englobo sale for Lawson was made by the LDA board. It was reflected in our budget and the indicative land release program at inception of the SLA.

MR COE: Is there a reason why the minutes of the first three meetings are not published?

Mr Dietz: I am not aware of that reason. I will have to take that on notice.

MR COE: There are minutes for the October through March meetings—meetings four through eight—but none before.

THE CHAIR: I will throw my question to Mr Coe.

MR COE: What role does the SLA have in choosing the firms that sell land on its behalf?

Mr Dietz: I will call on my director for sales and marketing, but I will say that we choose our agents through a government panel.

Mr Peters: The whole-of-government panel has seven agents appointed to it. That has gone through a competitive tender process. We will choose from that panel, depending on their skill sets.

MR COE: But how do you make the call as to which one you use on any particular site?

Mr Peters: It depends on current workloads, current skill sets, current sales. There is a whole raft of factors. Some panel members have certain skill sets while others have quite full workloads. We keep an eye on the schedule of what has been offered and then we will go through a quote process that will be assessed through our business.

MR COE: But who makes the call about their workload? Is it them or you?

Mr Peters: No, it is us in consultation with other members through government who are using the agents. We do not want to have agents appointed that have excessive workloads and cannot meet targets. We have to keep our eye very closely on panel arrangements and who has been seconded to do what work through that panel arrangement.

MR COE: Do you try to spread the work evenly amongst those seven?

Mr Peters: To the best of our ability, yes. It is not always possible but definitely that is a focus. As I was saying, we have quite short time lines at times and we do not want to be sending work to agents that have a full workload. We need to balance that.

MR COE: Where does the marketing and advertising of the SLA stop and the work of agents start?

Mr Peters: It depends on the release type. A single residential model would have already been captured through early planning, the EDP process. That is the state development process. We would come up with a brand strategy, or a marketing plan, or a campaign strategy. We would have brought an agent in early through that process and invited them through consultation into marketing. We would also seek correspondence from them on our marketing brand.

It is very much dependent on the type of site. If we were selling a large-scale residential development, we would engage pretty early with our agents. If it is a small, fairly simple type of site, for example, something in Hume or a small community site, it is a different marketing or a different sales strategy.

MR COE: But if you are determining that, what is the role of the agent? What are you actually paying for?

Mr Peters: The agents offer us a vast service. For example, they do listings online and they do national road shows, something we do not always have the capacity to do. They look for different markets to potentially come into the territory. They manage sales offices and suites on behalf of the territory because they are actually exchanging land contracts through those processes. We have inventory of land, so we need a presence in the market. They also manage venues, equipment hire and the facilitation of an event, for example.

MR COE: But are you telling them what they have to do or do they have flexibility?

Mr Peters: Again, it probably is dependent on the site. I would prefer to call it a working partnership. I do not have the opportunity every day to understand the market or who is coming into the room for a sale, so I like to have an open relationship with the agents to understand what type of event it would be and what their role would be.

MR COE: Who is currently selling residential land for the SLA?

Mr Peters: Civium Property Group, Colliers International, Independent Property Group. They are our three key ones. We also have Laurie Scheele Real Estate and Luton Properties. I note that, unfortunately, Laurie Scheele passed away recently, so we are working with that firm on what the next opportunity for them will look like.

MR COE: Are they able to multi-list? Are you able to have the same block being sold by several agents?

Mr Peters: There have been occasions where multiple agents have been appointed to single developments. We have since worked through the process at the time of those engagements, and now we have a single service model. Using Throsby as an example, one agent is appointed to manage the sale of that estate for us. That allows a better understanding of direct dialogue with the agents, understanding the market conditions, working on other marketing strategies, whatever the case may be.

MR COE: Given that they are already on a panel and have already met the threshold the government requires, is price the only determinant when you are seeking a quote?

Mr Peters: No, it goes back to capacity, as I mentioned before.

MR COE: But once you have determined who to get a quote from?

Mr Peters: Price is key to it; price is important. But certain skill sets are required as well.

MR COE: But do you have a formal process for how you do an evaluation?

Mr Peters: Yes.

MR COE: And does that have a weighting?

Mr Peters: Yes. Again, it will be dependent on the site and the location as to the weighting criteria of those. We understand certain agents have different methodologies for how they submit their tenders. At times we may cap a threshold of criteria, such as the value of the commission rate; we look to see value in other areas. Because they have already tendered the works, the commission rates are already known. I do not want to end up in a situation where we are reviewing commission rates when it is already a set fee as part of a tender process.

Our agency looks for a value-add proposition. It is really important to note that it is not always going to be won on fee. The fee has been agreed; we know what that is and we know it is a fair and reasonable fee. We are looking for a point of difference.

MR COE: How do you determine which valuers are selected?

Mr Peters: It is the same process as the agents panel, if you like: a whole-of-government panel and they are selected to undertake the valuations.

MR COE: Is it possible that you could have a valuer from the firm that is also doing the selling?

Mr Peters: In the past that was possible. The way it is facilitated now is we try to separate agents that supply valuers where practical. It is not always the case.

MR COE: Why is it not always the case?

Mr Peters: Volume, time, inventory, other requirements. They may already have undertaken work at, say, the first stage of a development release. Those valuers already have market intelligence. It could be considered an issue for us having to re-brief valuers on new markets when we already have valuers closely monitoring and watching our estates.

MR COE: It is potentially a huge conflict, is it not—somebody valuing something and then selling it?

Mr Peters: Correct.

MR COE: If they are in the business of just shifting land, surely that has potential for conflict?

Mr Peters: Yes, I am not denying that. But we recognise that is an exposure.

Mr Dietz: Our valuations policy ensures that we get at least two independent valuations. So that is a mitigation to one valuation perhaps being conflicted.

MR COE: Is the policy to get two valuations or two independent valuations?

Mr Dietz: It is two valuations. If the values are outside of a 10 per cent difference we will look to get a third valuation. If there is one that is abnormal we would get a third valuation.

MR COE: Does that happen very often?

Mr Dietz: It has happened in the past. I suggest not because the valuation has been conflicted but perhaps just because valuation is not always an exact science.

Ms Berry: It might be useful, chair, if we talk about specific areas, about the sales work that occurs and how it works. I think it is something that might be useful for members to understand a little better, particularly around, for example, Taylor: who the agent involved there is and how those suburbs and blocks are being sold and marketed. Then people will have a better idea of a particular area in Canberra and how it is working.

Mr Peters: Yes, I am happy to—

MR COE: I am not in a hurry for that briefing, but—

Mr Peters: Okay, that is fine.

THE CHAIR: If there are further questions pressing, minister, we might press on with the questions, but I would be happy if an explanation of that sort of information was given.

MS CHEYNE: I think you will end up giving that explanation as part of my next question, which is what is going on with the water police site in Belconnen?

Ms Berry: That is a good one. I think that site and the site at Gold Creek where the old homestead was will show the community very clearly the difference, the change in the way that the SLA is approaching the sale of land in the ACT. Particularly with sites like the water police station and that site in Gold Creek, those sites are being looked at in a different way, the kind of other social benefits that they could give to the community.

John Dietz has made some comments to try to explain the work of the SLA in a broader way so that there is a better understanding of the change in the policy and the direction in the work of the Suburban Land Agency compared to people's perceptions, perhaps, of the former land development agency and some comments that people are selectively choosing around profit.

Mr Dietz: You are right, thank you, minister. Thanks for the opportunity. We have a new remit. If you look at our act and our statement of expectation from the minister, it is very much around balancing social, environment and financial responsibilities. As the minister suggested, and also as Ben suggested, we are not profit-driven. Given the remit of our act, we are not profit-driven. When you look at it, the actual supply lever is not our lever. We are required to supply as per the indicative land release program. It is not our decision as to how much we should or should not supply. It takes away a lot of what would be a profit-driven organisation.

That being said, we do have traits of a profit-driven organisation. We do ensure that we act responsibly. We have efficient processes. We keep our costs as low as we can. But we are not profit-driven. We are not revenue-driven, and whenever we make a decision that is an evaluation of a tender which takes into account build quality, design outcomes or community engagement, we are actually making a balanced decision that takes into account financial responsibility and environmental responsibility. So it is a little interesting that the *Canberra Times* article suggested that we are maximising revenue. I think a different article said that that is my No 1 key.

I will say that I did present at a function a month or so ago. The theme of my presentation was around the SLA and the new way forward. I talked about the different objectives of our act, the new remit that we have. It is to balance social, environmental and financial responsibilities. I did take some examples. I talked

through some of the different assets that we might sell and how we would look to balance those. I talked about the different levers that government has as part of balancing those different objectives, and they are not all under the control of the SLA.

I took the example of an individual residential block. When we look at the three different levers of financial, environmental and social responsibility, the Territory Plan has a significant part to play in ensuring an appropriate outcome. When you look at the building envelope, the plot ratio, how high you can build, whether you are able to look over your neighbour's fence, whether you are able to chop down regulated trees, whether you are able to meet the requirement to ensure solar access to your neighbour, all of these things are covered by the Territory Plan. I would suggest that it is not the role of the SLA to rewrite the Territory Plan.

In that case of the single residential block, I said that if the other two levers are covered, then, really, what we are doing here is ensuring that we can sell that block of land at its market value, and it is required that we do that.

MS CHEYNE: Right, and that is where it was reported that you were maximising profit?

Mr Dietz: You are right.

MS CHEYNE: How does that all feed into what is going on with the water police site? To give some context, there is lots of interest in the community about it.

Mr Dietz: Yes.

MS CHEYNE: It is a prime site but not without significant challenges. I was curious; based on the things that you were saying, it seems to me like there are reasons for withdrawing it from the market but, equally, it was the SLA who put it on the market—

Mr Dietz: Correct.

MS CHEYNE: Where was the change in thinking within the agency, and why?

Mr Dietz: Yes, I guess that the first answer is change does take time. A lot of the thinking for the indicative land release program was in train even at the inception of the SLA. Why we pulled it is because we think we can get a better outcome. The original release was via auction. Auction does then ensure that the Territory Plan covers the different objectives. But in some cases we feel that perhaps if you took a different method of sale—say, a tender—then we can put certain things into the tender that allow us to evaluate an outcome on more than just price.

MS CHEYNE: But we have already done an expression of interest. My understanding is that that expression of interest had some pretty clear thoughts around it about what we, government, wanted on the site. Everyone who expressed an interest just kind of ignored those in expressing that interest. So how is the tender going to do a better job?

Mr Dietz: I think the expression of interest was more than 12 months ago, if I am right. If I understand rightly, we did not have a great deal of response to the expression of interest. We feel that it is possible that through a different campaign we could probably get a better response and hopefully then a better outcome.

Ms Berry: It goes to my letter of expectation to the Suburban Land Agency. This is what is taken into account in the delivery of their work, which includes things like matters that are likely to attract significant public interest. I would suggest that that particular site has significant public interest from folk living around Belconnen. What are the possibilities for that site rather than just selling it as part of a land release program?

The same with the Gungahlin Homestead site as well. The work of the Suburban Land Agency is actually having a better look at those sites that would have significant public interest and then working out what is a better outcome for the community and for the government to be able to achieve on those sites.

MS CHEYNE: What I am still struggling to follow—you will have to forgive me; we are into our second last hour after 11 days—

MR PARTON: But who's counting.

MS CHEYNE: Me.

THE CHAIR: All of us.

Ms Berry: It is part of the—

MS CHEYNE: Counting down.

Ms Berry: Having been on that side, I completely understand.

MS CHEYNE: I know you understand, minister. Please forgive me if this has been answered. Mr Dietz, you said that things take time. I appreciate that it was on the indicative land release program. However, it was put up for sale only a few weeks ago, which was 12 months into SLA's existence, and then it was taken down. So I guess that I am trying to get a better understanding. I appreciate that this is probably internal machinations and you cannot expand on them too much, but is it such that the land was put up for sale but then there was a realisation in another sector within the agency that actually, to be more consistent with the minister's expectations, we should be withdrawing that and trying to find a better outcome? I think that if you find that out internally, that is a good thing.

Ms Berry: Before Mr Dietz goes into a little more detail on that, it is about the whole culture within the Suburban Land Agency and how they look at sites that are for sale differently. There is a relatively new team as well in some of this work in the Suburban Land Agency. Mr Dietz is new into the role as well, as am I. So we are having a different kind of look at the way that land that is important to the community goes out for sale.

We would not normally have had that kind of oversight because the land development agency were doing it separately at arms-length from government. But with the Suburban Land Agency, and having different principles around it, different expectations from the government on how the work of a Suburban Land Agency is carried out, how they look at land and the social outcomes that it can provide, Mr Dietz has been trying to communicate to the community to tell a different story about the work of the Suburban Land Agency.

Mr Dietz: Thank you. I totally agree. Thank you, minister. It does take time, through existing processes, to ensure that they can mature to understand a new way forward.

MS CHEYNE: So was the decision to take it off the market yours?

Mr Dietz: Yes.

MS CHEYNE: Actually, it is very encouraging that it came from the top to find a better outcome. Can you clarify, how does the policy interact with the selling? Mr Dietz said before that you supply as per the indicative land release program. But I guess the whole point of the indicative land release program is that it is indicative and based on things changing.

In my mind, you are not actually doing it necessarily as per the program because it is indicative and conditions change. It is not like a blueprint, that you must sell all this now, which I think is quite demonstrated with the water police site. I was wondering whether you could clarify that further for me.

Mr Dietz: You are right. It is an indicative land release program. However, we do treat it with absolute respect in that we are doing our best to deliver to that program. If we felt at any particular point in time that there was a reason not to that was valid enough to pull something back—that is, the water police site—I feel we have the responsibility to do that.

MS CHEYNE: Do you get advice from EPSDD about trends? We were talking before about—

Mr Dietz: I feel we have a very good collegiate relationship and even before making decisions like the water police one, I would speak to Ben, have a chat and understand some of the decisions behind it.

MS CHEYNE: You might say, “This says that we are going to release this bit of land in this financial year, but I have some concerns. I will speak to EPSDD about it first to see what are the market trends, the absorption rate and things like that.”

Mr Dietz: That is correct.

MS CHEYNE: You are getting that real-time advice?

Mr Dietz: Yes.

Ms Berry: That is the other change with the SLA: as minister I am more involved with the decision-making and government more generally. It is good that we all have an eye over things. We work in a bit of a different way but it is in a collaborative way.

MS ORR: You have spoken about the Belconnen water police station, but you also mentioned Gold Creek Homestead. There has been quite a bit of interest in my electorate in that, so can you give us more of an idea why you removed it from the market and what you are looking at doing?

Mr Dietz: Again, it was looking at our remit of balancing social, financial and environmental responsibilities. The way it went to market was via a tender. The tender asked for the tenderer to respond on what they could do with the Gold Creek Homestead. However, the tender also then evaluated on financial responses only. That meant you could have two tenderers, one which kept an asset that had great value to the community and one which charged one dollar less but demolished an asset the community wanted. Hence we felt that it was appropriate to pull back and look to retender.

As to when and how, we are working with our board now looking at investment decision frameworks and sales release methodology which will help guide those decisions in the future.

MS LE COUTEUR: Now is the time to ask about affordable housing targets. On 20 February, housing targets determinations were posted as a notifiable instrument on the City Renewal Authority and Suburban Land Agency webpages. A notifiable instrument for 2018-19 has not been posted on the ACT government's legislation website, although the targets are available in the planning section of the EPSDD website. Why has the notifiable instrument not been uploaded on the legislation webpage, and when will it be?

Mr Tennent: The notifiable instrument is imminent. The reason it has taken some time is that the instrument needs the signature of three individual ministers responsible for different parts of the ACT. We are looking at streamlining that for future years. There has been a little more consideration of how we will do the instrument going forward, which is the predominant reason for its delay. But it is very close.

MS LE COUTEUR: As we know what it says, I can comment. The major problem is that the targets for public and community housing are even lower than last year's targets. How do you work out what targets you should have?

Mr Ponton: I am pleased to say we have a very good answer for that. I am sure Mr Tennent has prepared his answer to this question it is one he has heard before.

Mr Tennent: The targets are part of the CRA/SLA act and they essentially came in for what we refer to as the mid-year of a land release program. In setting the first targets on sites that would be released to the community we essentially just used the quantum of affordable housing that had been released over the previous decade. That gave us a bit of a baseline given that the target did not have a quantum attached to it.

In terms of how we developed it, we have a cross-government reference group. Again underlining the collegiate relationship between SLA and this directorate, the SLA are front and centre when it comes to sitting in the room and helping us with the targets. The CRA are also part of it, as are officials from CSD and two areas of my team, affordable policy and land release.

That group has been responsible for setting the targets for the first two years. The target quantum for the first year was 530 and 552 in total was the second year. To put that in perspective, the quantum of affordable housing released via the previous target was tailing away pretty significantly as we saw a shift from greenfield to infill. In a couple of the years 260 sites went out the door, so there was certainly a baseline we wanted to get back to quickly in the first couple of years.

In terms of the mix itself, we have been very much guided by the capacity of our Housing ACT colleagues to take on new land opportunities and have the capital to develop on that land. I know there has been a high level of criticism about what appear to be quite small community housing targets: the first year was 34 and the next year was 20. Rather than being the flat percentage across everything that goes out, which has led in the past to suboptimal outcomes, the target has very much been on a site-by-site basis, hence the importance of having the SLA in the room as they are experts in that field.

When looking at the community housing sector, the first port of call—even before we established the first year target—was for us to approach the tier 1 providers and simply ask what was their current development capability. We also were guided by the pace at which the community housing sector has been adding affordable rental properties to the portfolio across the ACT. That number is about 12 per annum, so if we look at that number in isolation and we look at the fact that in the first year we released 34 and the next year we released 20, these are specifically affordable rental properties. These are not properties the community housing sector can develop at full market rate to cross-subsidise one or two of the others. There is a real focus now on getting the outcome we need via this program.

In terms of the year 3 target, we are absolutely hearing the criticism about how we have put in place the community housing target. We are already in very close discussions with the Community Housing Industry Association in the ACT, which represents not just the tier 1 providers but also the tier 2 providers as well as some of the service organisations that provide support services to community housing tenants. We have challenged them to come back to us with what the year 3 target looks like for them and how we can have a land release program that responds appropriately with a good mix of single residential, medium density or incorporation into some other larger multi-unit developments.

MS LE COUTEUR: I understood you to say there are only 60 public housing units because ACT Housing do not have the capital to work with more than that. Is that a fair summary of what you said?

Ms Berry: It is not the capital; Housing ACT are doing a significant renewal program at the moment. We are in the fourth quarter of that program, which is a significant amount of work with 11 per cent of Housing ACT stock being renewed. That is new

houses bought or purchased off the market to replace old, non-sustainable, unsuitable, high density public housing in the city. Living in homes that are more expensive to heat and cool in winter and summer does not lead to good outcomes for tenants.

So we are getting to the end of that big renewal program and continuing to do the renewal across the public housing portfolio as a matter of form. We are then looking at how we provide a good mix of housing options—including but not limited to public housing—to take into account the different needs within our community. We are working closely with the community housing sector to ensure that affordable housing goes to those who need it most and that nobody is cheating that system. We are working very hard on a sophisticated approach to providing more support for people who need it in the city, and that is the work we will continue to do.

MS LE COUTEUR: I am clearly not understanding. Why did you decide that 60 was the number of public housing sites?

Ms Berry: Well, the housing renewal program will continue.

MS LE COUTEUR: I appreciate that there is a housing renewal program; I am aware of that. I am wondering why the decision of 60 was made.

Ms Berry: To be clear, nobody wants to increase our public housing stock more than I. Over a number of years the ACT government has continued to maintain public housing stock at the highest per capita in the country. Despite our population growth we continue to have a lower homelessness rate than other jurisdictions in the country.

When we were designing a strategy—which I know is something you are interested in getting to—it was not about developing a shiny brochure; it was about having a sophisticated approach where we would get input from everybody within the community about the best way forward. That is why I have an advisory group which advises me and the public housing renewal task force on working towards development of the strategy to get the best outcomes and the best mix of housing across the board and not just within public housing.

We cannot address public housing issues on our own in the ACT; the rest of the country has to take some responsibility as well, including the federal government. If we were the only state or territory to be building public housing in the country, we could build 2,000 properties this year and we would need another 2,000 more because everybody would move to the ACT. Anecdotally I am hearing that more and more people are coming to this city because we have such a positive message when it comes to supporting people at risk of or are experiencing homelessness.

If the conversation is about the solution to how we are going to resolve public housing issues across the country, well, we are doing our bit and we are doing a great job. Our homelessness support system is providing the absolute best support for people who need it in our community.

On the actual targets, Mr Tennent referred to making sure there is not a specific target within a particular area and that we must have some flexibility around how targets are set. The ACT cannot be responsible for building all the public housing in the country.

Other opportunities have to be found for people to get into homes of their own. Welfare and social housing cannot be the only solution we offer.

MS LE COUTEUR: Continuing with the community housing, you said you have been talking to the sector and that is how you got to the 20 sites. You presumably have some idea as to how those will be allocated. Will they all go to one of the bigger providers? Is everyone going to get one each? What is the plan?

Mr Tennent: The plan is to put those sites out under an expression of interest. We acknowledge that we want to grow the sector. We acknowledge that we have had one significant provider over the last 10 years who has been repositioning itself in more recent years to refocus its business more on community rental. The government acknowledges the yield gap that exists in the community housing sector. It is hard for the community housing sector to pay full market rate for land and then still be able to build on it, get 75 per cent rent, and make the maths add up.

This is why we have taken quite a cautious approach in the first two years. We have acknowledged that we now have a target that does increase the effort when it comes to what we are adding to the stock, but we have still been conservative, deliberately, while we wait for a much better understanding from the sector about their development capability.

We are now more satisfied, two years on, that the sector is aware of the targets that exist in the ACT, and certainly the commitment within government to grow the sector. We are, again, just taking that cautious approach. We have, as I have said, reached out to the industry association for year 3, and said, “If there’s indeed a much better appetite and you’re in a better position, then we can certainly look to facilitate that.”

MS LE COUTEUR: How will the affordable housing be allocated amongst sites?

Mr Tennent: The affordable home purchase properties?

MS LE COUTEUR: Yes. We have the public housing; we have the community housing; the rest is the affordable home purchase. Have I got it wrong?

Mr Tennent: No, that is correct. Those are the three categories.

MS LE COUTEUR: Yes, that is what I am talking about.

Mr Tennent: With the affordable home purchase properties—again, two years worth of targets—I think we have now allocated 800 or 900 specific sites for affordable home purchase. As the minister said, the policy has fundamentally changed from what we have had for the past two years. We are now targeting a group that we know are experiencing housing stress in the ACT; that is those in quintile 2 and below. We want to provide those home purchase opportunities for those particular families.

We have an expression of interest database. Via that database, the public can see what opportunities will be coming to market. We are very specific about the opportunities. It is not just an open-ended “register here”. We can tell them that, in the next 12 to 18 months, there will be opportunities in Taylor, Greenway or wherever they

might be, and whether they are units or townhouses. We can really be quite specific about the list.

We can also be quite specific about what they are looking for. We are asking them how many bedrooms they might be interested in and so forth. We are being much smarter about measuring demand. Indeed, as these sites have been sold—and a number of those have been sold—we have been providing this information to the developers. We are saying, “We’ve got a body of interested buyers here who are looking for this type of product.”

The price thresholds are in place. In terms of where we have pegged the price thresholds, they are well and truly within that quintile 2 range, with thresholds around 330 up to 440, I think, for home purchase. The important thing is that, with the new eligibility in place, we can say with a high level of confidence that they will go to the right people.

MS LE COUTEUR: Great. I think the new database seems like an excellent idea.

Mr Tennent: I am happy to say we have 700 people on there.

MS LE COUTEUR: Good.

Mr Tennent: It is growing quite significantly. It is also important to note that in the real estate world there is a fair attrition rate when it comes to those who express interest and those who go through with the contract, so we need a large number.

MS LE COUTEUR: Talking about expressing interest, how would people find out about it? I found out about it because I work here, but how would someone else find out about it?

Mr Tennent: The promotion of the database is ongoing. Thus far we have been promoting via a number of government communications externally. Certainly the minister has been referencing it in many public forums and in many opinion pieces or media articles as well.

We will continue to promote the fact that the database exists. Importantly, it is a live database, so as new opportunities arrive in the next land release program, up they go: “Here is the new suite of products that will be coming on. Register your interest.” In our mind, it will not be a static database that will fill up with people on there forever. It is very much a live database that we think will result in a much better outcome.

MS LE COUTEUR: Thank you.

Ms Berry: The important thing about that database is making sure that it goes to people eligible for affordable housing. It has some very strict eligibility requirements to ensure that it goes to those people, and that others cannot game the system, if you like, which has happened under previous affordable housing plans. Did you want to talk about the eligibility requirements?

Mr Tennent: Sure. As I mentioned, it is very much targeted at those on quintile 2 and

below. The cut-off here in the ACT is household income of \$100,000 gross. Applicants must be 18 years of age or older. They must be an Australian resident. The income is scaled up according to number of children. It does top out at about \$148,000. There is acknowledgement that there are some low income families that need an affordable home. They must not own or have owned property in the past two years. One applicant must live in the home continuously for 12 months and, as we have said, they must come from the database. They are not sourced by the developer anymore; they are provided to the developer by government through the SLA.

MS LE COUTEUR: Are there requirements around how long they own the property for? I understood there was some sort of sales issues requirements for them.

Mr Tennent: Sure. You are obviously referring to the windfall gains that have been anecdotally reported?

MS LE COUTEUR: Absolutely, yes.

Mr Tennent: We acknowledge also the commitment to investigate mechanisms to limit that. That work is current. It is certainly a key consideration as part of the new housing strategy. Whether we land it in time or whether we absolutely commit to continuing our work will be revealed when the strategy is finalised.

MS LE COUTEUR: Thank you.

MR PARTON: You talked about a cautious approach when it comes to allocations for affordable housing. You have also acknowledged that the demand far exceeds supply by—

Ms Berry: No, they are your words; not ours.

MR PARTON: You basically said it. You basically said that—

Ms Berry: You are verballing me.

MR PARTON: You did not specifically say that demand far exceeds supply, but I think it is accepted by everyone in this room that demand far exceeds supply when it comes to affordable housing.

Ms Berry: The land release program of 17,000 dwellings over the next four years exceeds the projected population growth, I believe.

MR PARTON: I am talking about affordable housing. I am talking about the comparatively low numbers in terms of new dwellings for public housing. I understand the renewal program is going on. But in terms of additional dwellings either in public or social housing, comparatively we have a fairly small increase. Would we agree or not?

Ms Berry: No, and you cannot look at that figure on its own. You have to consider all the other work the government is doing to improve opportunities for people on low incomes to get into homes of their own.

MR PARTON: Minister, I cannot believe you can sit here and suggest to me that the numbers in terms of increase of public and social housing are not comparatively low. They are comparatively low.

Ms Berry: The work the government has done around tax reform, too, will absolutely have an effect on the ability of people on low incomes to get into an affordable home of their own. The changes to stamp duty arrangements for low income people and first home buyers on new and existing homes will make a significant difference.

THE CHAIR: Assuming they can afford to service the loan.

Mr Tennent: That is true, and I can shed some light on that.

THE CHAIR: The core purchase price is still overwhelmingly the biggest barrier to entry for a home buyer in the ACT. It is the cost of the underlying property, not the taxes associated with it.

Ms Berry: That goes to some of the work of the banking royal commission and the behaviour of banks around their opportunities, so—

THE CHAIR: Minister, deflecting a criticism of your government's land release policy and the cost of housing affordability to the banks is a bit of an overreach. I think even you would have to admit that. I am happy for you to try to paint that picture because I am curious to see how your mind works in that respect.

Ms Berry: You do not need to be nasty. You talked about mortgages. Banks provide mortgages, and that is exactly the work being investigated right now. It was not a deflection at all; you mentioned it. We were talking about the changes to stamp duty that will give opportunities to lower income families to get into homes of their own. We will respond to that, unless you want to go somewhere else.

Mr Tennent: The minister highlighted the changes to stamp duty and, as she said, solving the affordability puzzle has to come from many different directions. Stamp duty is one of them, and I think that was the point the minister was making.

In terms of the numbers, Mr Parton, of course the strategy will look at affordable housing, but it will also look at less expensive housing, as I am referring to it, and increasing the choice there. In terms of quintiles 1 and 2, we have 150,000 households in the ACT, so quintiles 1 and 2, you narrow that down, we have 60,000 in the target group. The census tells us that more than half of those—about 35,500—already own their homes or are paying mortgage payments less than what we regard as the rental stress level. Another 10,000 in that cohort are in public housing and another 7,000 have reported they are paying private rents below 30 per cent of the market.

Once we distil those out of quintiles 1 and 2 at the bottom end, we start to look at the target market where we are trying to address our reforms. We have 7,000 in the private rental market reporting that they are paying more than 30 per cent in rent and we have around about 1,000 homeless, as I understand. So this strategy in the affordable space will absolutely address that. It would be great to wave the magic

wand and produce 7,000 affordable properties in one go, but it is an extreme financial burden on the budget.

MR PARTON: And I accept that. But you have talked about the mathematics for community housing providers in terms of yield, When you do the sums on it, yes, it is difficult for them to make it work. But, with respect, Minister Berry, you have control of many of the other levers. There is a housing affordability crisis out there, there is no question about it.

Ms Berry: Across the whole country.

MR PARTON: Yes, but we cannot fix New South Wales; all we can deal with is here. Why can we not adjust some of the levers so the mathematics for community housing providers becomes a little more logical so we could release more to community housing providers?

Ms Berry: I look forward to seeing that in your affordable housing policy, Mr Parton. Remember that the federal government have offered community housing providers the bond aggregator, and that gives them a much better opportunity than the ACT government could ever give. We are just not big enough. The federal government is working on what the bond aggregator will look like. I understand community housing organisations in the ACT are very interested in how they could access that bond aggregator financing to support the work they do. That is not in place yet, so we are interested to see how it will work.

It is not that we are not doing anything, but it takes more than just the ACT. The ACT is absolutely pulling its weight in the work we are doing around ensuring that people get into homes of their own, whether that is in social housing or other housing. Social housing is very highly targeted, which also makes it challenging. We are continuing to build public housing stock across the city, including greenfield and infill. We run into interference when we try to do infill within our suburbs, but we will continue to do that work. If there is any land people are aware of that could be used for public housing infill in the suburbs we can continue to do that work, and we always will.

The targets are set as targets. We will ensure that we continue to work with the community to achieve the best possible outcomes we can. But the ACT needs to be fairly measured and cautious about the type of activity we do in this space. We cannot do it on our own.

MR PARTON: Apologies if I sounded abrasive or aggressive. Like you, I am frustrated that we cannot move more quickly in this space.

Ms Berry: It is much more complicated than just throwing money at it and asking for a number. The ACT government has made a number of announcements leading up to today including changes to tax arrangements, regardless of whether you agree with them. Changes will be made in the future around stamp duty. Vacancy tax arrangements mean a tax will have to be paid on empty homes, so hopefully that will provide more rental properties in the market. Whilst higher education is not my portfolio area, I know that the ANU are about to open a whole bunch of new housing

for around 600 residents as well. All of these things contribute to the story.

Looking at one narrow part of the issue is simple, but we need to be much more sophisticated about how we do it. The advisory group has such a mix of individuals on it to help us do that work in a way that has never been done before. Having developers and real estate agents and housing tenants and others in the room together has given us a bunch of mixed voices so we can do the best we can and continue to lead the country, which I believe we are.

MS LEE: I know that the topic of land releases has been peppered throughout this afternoon. I want to go back to that. I want to start in the area of detached dwellings. If you look at table 4 on page 89 of budget statements E, you will see the key performance indicators. There is a table setting out some of the indicators in terms of the land release program. Residential has 4,060 dwellings. It has a breakdown in to four different categories. The one that says “detached blocks” has an interesting in-brackets comment, “includes compact and townhouse blocks”. Have you got a further breakdown in that line item for “detached blocks” which will allow for stand-alone houses? If so, what is it?

Mr Tennent: Yes, we do have a breakdown. Unfortunately, I have not brought that information with me. But I am certainly happy to take it on notice.

MS LEE: On that, can you please explain the definition of a “compact block”? What are the criteria? What makes it a compact block?

Mr Tennent: The compact block, if I recall correctly, is a block of about 250 square metres or less, which I understand comes under a different planning treatment that allows for a different build form.

MS LEE: What type of build form?

Mr Tennent: It still is regarded, I think as I recall, as either RZ1 or RZ2; it might be RZ1. Typically it would be a townhouse/terrace-type product.

MS LEE: Will a stand-alone house be able to be built on a block that size?

Mr Peters: The answer to the question on compact block relates to the compact housing code. The compact housing code generally has the rules applying for blocks that are 250 square metres or less. The concessions broadly, in that planning control, allow a built boundary on one side and a 900 setback on the other side. It also has a reduced private open space arrangement of three metres.

To answer your question as to the type of product, in the past we have run programs and projects that have delivered compact housing. You are looking at a product that is two to three bedrooms of 100 square metres with a carport arrangement and possibly two wet areas.

MS LEE: Bear with me; if I were a lay person who is looking for a house, basically, is it a stand-alone house or not?

Mr Peters: Yes.

MS LEE: It is.

Mr Peters: Detached.

MS LEE: Stand-alone, detached.

Mr Peters: That compact housing code also allows models that will be a duplex. They may share a common wall through the garage arrangement. But, in essence, yes you can develop a detached home.

MS LEE: In terms of what percentage are compact and townhouses, you do not have that. You will take that on notice?

Mr Peters: Correct.

MS LEE: How do these figures compare to last year and compare to the projections for the following year?

Mr Tennent: Those numbers you have quoted of the total program of 4,060, with 1,396 being single residential and compact, compares to the year that is just about finished, when 656 were single residential or compact.

MS LEE: Have you got the breakdown of that? How many are compact and how many are non-compact?

Mr Tennent: No, I do not. Again, I can take that on notice.

MS LEE: Yes. Thank you.

Mr Tennent: We can provide you with those numbers going back in time.

MS LEE: That was last year?

Mr Tennent: That was last year, yes. The year previous to that, which was 2015-16, 4,024 was the total target, and 1,159 of those were single residential or compact. I can keep listing them all the way back to 2007 if you like.

MS LEE: That is fine. You can continue to go back, but you still will not have the breakdown that I was looking for.

Mr Tennent: No; that is correct.

MS LEE: On notice, can you provide the itemised breakdowns that I was looking at earlier for the past five years?

Mr Tennent: Sure, I can do that. I am pleased to advise that as part of the current land release program looking forward over the next four years, the proportions of those will be higher.

MS LEE: The proportion of?

Mr Tennent: Single and compact groups together.

MS LEE: Again, can you break that down?

Mr Tennent: Again, we can disaggregate those for you.

MS LEE: Yes, thank you. In terms of the residential dwellings, you have not provided square meterage. Have you got those figures?

Mr Tennent: Did you want the square meterage of the blocks or the dwellings?

MS LEE: The total. For the other ones you have the square meterage in the total, so the total in terms of the residential, and also the average block that a detached dwelling will be.

Mr Tennent: The land release program only reports on sites; it does not disaggregate to dwelling block size.

MS LEE: Have you got the total though?

Mr Tennent: No.

MS LEE: You do not have that either?

Mr Tennent: No. Only the total number of sites.

MS LEE: Sites; okay. No worries.

Ms Berry: If you are looking for a home purchase, Ms Lee, probably the best place to go is the Suburban Land Agency's website. There is lots of information on there about where sites are available for purchase, particularly stand-alone dwellings or homes, which is I think what you suggested you were after.

MS LEE: I assume that, if I go on that website, it still will not have the breakdown. Would that be right?

Ms Berry: Depends how much detail.

MS LEE: Yes, just in terms of the line that I was going on. It has all been blocked into one. I wanted to know in terms of compact and single dwelling, as opposed to townhouse.

Mr Tennent: Sure. Again, we can provide that information, disaggregated, but it will not be square metres; it will just be the number of sites.

MS LEE: No, that is fine. Thank you, I got that.

MS ORR: We heard a little in the previous session about the indicative land release policy and the split between what EPSDD and the Suburban Land Agency do. What are the priority projects for this year?

Ms Tennent: In terms of land release?

MS ORR: Not so much the strategy, but in terms of what the SLA is doing. What are your priority projects?

Mr Dietz: I will call on the executive director to take us through some of the priority land development projects. Essentially we have three development fronts, in Gungahlin, Molonglo, and west Belconnen, and in those we have six main land developments, being Taylor 2, Jacka 2, Ginninderry, Molonglo, Whitlam and Coombs.

Mr Gordon: As John described there, we have three development fronts, primarily at Gungahlin, Molonglo and west Belconnen. In Gungahlin, we are looking at the tail end of the development of the town. Jacka has about 700 dwellings left, and we are about halfway through the suburb of Taylor. Remaining we have the suburb of Kenny which is yet to come to the fore. As you heard earlier, the planning is still under way there.

At west Belconnen we have just started into the first stage of development and that is progressing reasonably well. We were delayed for a little bit, but the project is now underway. And in Molonglo we have the suburbs of Coombs and Wright, Molonglo itself, Denman Prospect and Whitlam, all of which are progressing. The suburb of Molonglo is currently under planning.

MS ORR: When will the commercial centre land be released for Molonglo?

Mr Gordon: A commercial site in 2021. They are doing the concept planning for the suburb of Molonglo and there will be a commercial release. In Molonglo itself, the greater Molonglo area, commercial sites have been released in Molonglo 1, which is the suburbs of Coombs and Wright; in Molonglo 2, which is Denman, Prospect; and then in Molonglo 3 we will release a commercial site in the suburb of Whitlam that we are developing.

MS ORR: The discussion earlier was about bringing to the fore the social, environmental and economic priorities. How are you going to bring all of that together in the way the new suburbs are developed? How are you going to start to bring this new approach you were telling us about?

Mr Dietz: The process starts with a vision that we have within SLA for Canberra to be a great place where the community thrives. We have then whittled down to the particular areas of strategic focus we think are appropriate. We are looking at things like culture and business improvement within our organisation.

As to your question relating to the environmental and the social aspects, community needs is one of our strategic focus areas: making sure we have solutions for the diverse range of community needs; mixes of block sizes and locations for differing house types; place-making and design excellence; using the government's design

review panel to ensure we get the outcomes right; ensuring that we have connections to employment, ensuring appropriate open space, transport services and infrastructure; and also ensuring that we have affordable housing. Affordable housing is not about just building cheaper houses but ensuring that they are in areas that have appropriate amenity, appropriate connection to transport and employment, and running costs that are as cheap as they can be. We are in a changing climate and we need to design urban suburbs which are resilient to that change. Water-sensitive urban design and maintainable infrastructure are all aspects of that.

With that vision in place, we have gone through a process of ensuring that we have an appropriate organisational structure and capability. With that we are looking at some changes to our organisation to ensure that we have the ability to make the right decisions.

When it comes to applying that to a particular project, each project starts with a vision workshop and we use our capabilities to ensure the project starts with an appropriate vision that caters for each of those different areas. Once the vision is in place we are reliant on our governance and our procedures to ensure that, as that vision takes hold throughout the stages of development, we end up with something which is appropriate.

Ms Berry: The important part of building new suburbs is the relationships and networks and connections that are made. Buying into the new suburb, moving into a new area as a new family can be very isolating. That is where the mingle program comes in for building communities. I know that you, Ms Orr, have been participating in different programs at Moncrieff and I know that Ms Le Couteur has been to a few at Molonglo.

The whole idea behind the mingle program is to build those networks so new communities and groups will evolve naturally once they have been brought together and get the chance to meet their neighbours and find the connections and the things they have in common. We have talked about the mingle program before, but the important message to get across is that there is more to it than bricks and mortar; building community is a really important part of suburban development and design.

Mr Dietz: You are totally right, minister, and engaging with the community first. We are trying to build a suburb in which the community will thrive so the best input is often from the community themselves. We are leveraging the mingle project and bringing it forward to ensure that it is a great input.

We are also ensuring that we are preserving cultural heritage where required, and the Stromlo cottage in Molonglo is a good example. Partnering with the community and industry, so things like display villages or the charity house concept, are things we would entertain in the future.

MS ORR: Is that flowing through to newer and different practices with the sale of land? These ones are still being developed, but what about somewhere like Throsby which is a current project out for sale.

Mr Dietz: The mingle program is very involved in the Throsby community as it is developing.

MS ORR: Not so much on mingle; I am referring to a broader change in approach to the land sales.

Mr Dietz: So with our Throsby sales it is mainly single residential blocks, and we use the ballot process as the most appropriate process at the moment for those. Do I foresee changes in that process? Not specifically today.

MS CHEYNE: I have a question about land release. One of my questions coming here today had been: how come Lawson is on the 2017-18 land release program, has not been released but is not on the future land release program? Anyway, that was all solved last night. It was released on the 2017-18 land release program around 28 or 29 June, at the end of the financial year. What did the agency go through to get to that point? Why was it important to get it up in this financial year?

Mr Dietz: It is important for us to meet our targets as appropriate. We talked earlier about that; it is one of our wants and needs. A significant amount of work was done prior to having the Lawson site ready for release.

MS CHEYNE: It is very small; so I imagine you had to look in detail at it.

Mr Dietz: It is very small, but it is—

MS CHEYNE: No, I am joking; I think it is quite big.

Mr Dietz: In land development it is not big.

MS CHEYNE: Maybe for you it is small. For me, in Belco it is big.

Mr Dietz: It is important, even at the very early stages of design, to ensure you get things right at that point. It was identified in the land release program this year. If we had got things right six months ago, it would have been released six months ago. At this point, we were happy that we had things right for it to go to release yesterday.

MS CHEYNE: It was not like you were rushing to meet your targets. It was that you were making sure it was right?

Mr Dietz: Yes. It had been on schedule to be released at about this time.

MS CHEYNE: But it just required quite a bit of work?

Mr Dietz: That is right.

Ms Berry: Some new people are looking at it now with the Suburban Land Agency, John Dietz and the board and everything. We have already talked about the fact that change can take some time. Over the past 12 months there have been a whole lot of achievements within the Suburban Land Agency already. But this kind of change in having a closer look at the land release and having a different perspective on it as well, with a new set of eyes, makes a bit of a change to how it goes ahead and the timing of it. At the moment it might not be perfect, but it certainly makes it a more fulsome

process when a whole lot of different eyes are looking at it and having a different perspective on it.

Mr Dietz: That is correct, and I will add one thing: the timing, when we release it, does not take away from industry's time to review it. Yes, we have released it now, but industry still has, I think, two months or so to review and then respond. Whether we had released it a month ago or a month prior to that would not have changed the amount of time we give industry to respond to our expression of interest.

MS CHEYNE: I touch on what you were talking about before: more eyes looking at this. Did you consult Mr Ponton about the timing of the land release, based on the program and checking that it was still appropriate to go ahead?

Mr Dietz: I am not sure if I consulted Ben on the actual timing of whether we would release it last night. I do know that over the preceding months, Ben and I had discussions about ensuring we had it right when we released it.

Ms Berry: I knew it was going to be released last night.

MS CHEYNE: That is very reassuring. Mr Dietz, in terms of what you were talking about in response to Ms Orr's supplementary questions, you mentioned the work you are undertaking to foster a strong and positive culture in the agency. Are you able to expand on what that work is to achieve that?

Mr Dietz: Yes, definitely. I talked through our vision. Given that vision, it is transformational change for the agency. One of the challenges, I will be frank, is the transformational change at the same time as delivering on our business as usual targets. My hat is off to the team; they are very passionate group of people who have delivered very well this year.

I can relay some of the structural change. We have been through a new act, a new statement of expectations. I talked before about our new remit to balance social, environmental and financial responsibilities. We have a new board, five very experienced board members who are very good at asking deep questions and who are rigorous in their questioning. Our board chair has clear, direct accountability to the minister.

We have a new CEO—me. I have direct accountability to the board, again with very clear accountability. We operate in the new structure within the umbrella of the directorate. It is designed to ensure collaborative decision-making and clear accountability in different roles. We are, as discussed, a traditional delivery organisation. We do not have the supply lever. We are driven by the new vision. To deliver against that new vision, we have a set of strategic focus goals that are really putting us on the right way forward.

At an operational level, we have the minister's directions. We have received our second for this year coming. We have a statement of intent which we believe fully caters for our vision and is responding to the minister's statement of expectations. We now have regular monthly meetings, quarterly meetings and annual reporting to both government and the minister.

Our board has established two committees: the board audit and risk committee and the people and transition committee. The board audit and risk committee is responsible for overseeing mismanagement, the reporting of financial information, the adequacy of financial controls, legal and regulatory compliance frameworks, and external and internal audits.

Our people and transition committee is responsible for overseeing some of the more significant human resources matters, including our organisational culture, our organisational structure, our capability and also our diversity. It is important to note that, over the last 12 months since inception, we have had 25 different board and committee meetings, so we have a very active board.

Within the portfolio of EPSDD a portfolio project governance committee has been established. That committee meets monthly, is chaired by the directorate's chief operating officer and has membership which includes senior executives from within the directorate, SLA and CRA. The committee has an ongoing work plan that is agreed and prioritised, looking at through the different policies.

We finalised a service level agreement with the directorate and the CRA, and we have also embarked on a number of training programs that have been rolled out to all staff. These include respect and equity, diversity, freedom of information, probity fundamentals, fraud and ethics prevention, as well as many other training programs.

So that is the road we have taken to ensure we are a transforming organisation with a new vision and a new culture. In amongst all of that change, we have been able to deliver operationally. Our performance against the indicative land release program has been very pleasing. Our land release target for this year was 4,120 and we have released 4,203, so we are actually in excess.

We continued major development land projects across Molonglo, Tuggeranong, west Belconnen and Gungahlin, as we heard from our executive director. We have had residential land releases for sale in Greenway, Coombs, Wright, Red Hill, Gungahlin town centre, Throsby, Moncrieff, Lawson and Taylor. We have had commercial mixed-use, industrial or community land released in Hume, Macgregor, Gungahlin town centre, Belconnen, Red Hill, Ngunnawal, Lawson and Wright.

Further, we have released assets in accordance with the asset renewal initiative in Reid, Braddon and Turner on behalf of the CRA. And as the minister said, our mingle program continues to set new standards in our ability to deliver people-inclusive communities.

MS CHEYNE: Does your audit and risk committee have internal and external members on it?

Mr Dietz: Yes, it does. It consists of two board members and it has a non-executive member of the committee also.

MS CHEYNE: Have you thought about going out to get someone from a commonwealth agency or something who has experience in audit management?

Mr Dietz: The non-executive committee member, Margaret Walker, has significant experience, with a financial background as well as development and construction. She was the chair of a board audit and risk committee for one of the major federal government business enterprises, DHA. So I feel they have covered much of that experience.

MS CHEYNE: You mentioned a whole lot of training programs you have underway. I do not mean to be cheeky, but has one been underway or will you have one underway on properly documenting things? Documenting and saving stuff is hard. Is there stuff underway regarding records management?

MR PARTON: Or just finding the box.

Ms Berry: That is a bit unfair. There is a new CEO and a new organisation who are working really hard to change the conversation about land development. John Dietz has been doing an incredible job over the last 12 months with the shadow of the past agency. I have absolute faith in his ability and the ability of the Suburban Land Agency and its team, who are trying and working their very hardest to change this story against all of that happening in the background. Yes, all of that is very important, Ms Cheyne, and that work is happening.

Mr Dietz: Yes, we have a record-keeping course which people have gone on in the last few months.

MS CHEYNE: Is it mandatory?

Mr Dietz: I would have to check if it is mandatory.

Ms Berry: It was a requirement under the Auditor-General's report.

Mr Dietz: I am sure it is mandatory then. In looking to improve our record keeping we have transformed from a paper-based system to an electronic system called Objective, and there has been significant training for everyone on the team for that record-keeping system.

MS CHEYNE: In terms of culture, lots of good things are being said and lots of good things are being documented, and there is a lot of leadership from the minister as well. But are those things being said once and then put in a drawer? Are these living documents that people carry around with them and refer to and are always touching base with in terms of whether the decision or action they are taking reflects what the agency is saying it will do? Is what you are saying matched by your actions?

Mr Dietz: Yes, they are. One of the key decision documents the board works with is our investment decision framework, which essentially looks at our strategic focus areas. When we make decisions we ensure we make them in the light of those strategic focus areas.

More specifically with some of the culture too, we are ensuring that every message we portray exemplifies the culture we are wanting, even to the extent that now when we

have staff stand-ups we start with values awards. The ACT public service values of respect, innovation, collaboration and integrity are an absolutely fantastic basis on which we have put our vision forward. We provide awards for staff who we recognise are displaying those particular values.

MS CHEYNE: Can you give an example of someone who has received an award and what they did?

Mr Dietz: I definitely can. There is one sitting next to me who received an award some time ago. However, it is rare that senior leaders receive these awards. The sorts of awards we give out are cans of tuna and cans of baked beans, but it is more about the recognition of what the person has achieved. We have graduated to Cherry Ripes and Crunchies, and they are all individually signed, which makes them very much a limited edition. But I am not being silly when I say we have given out at least 30 in the six months I have been there. It is something really important that we do.

Finally, we had a staff survey just before Christmas. The benefit of sitting down with the staff and understanding the results of that survey and working through an action plan to ensure we take our culture to where we want it to be that is actually driven by them is something we will see real benefits from.

MS CHEYNE: Do you have a risk register?

Mr Dietz: Yes, we do. We have multiple risk registers.

MS ORR: This follows on from some discussion earlier. I am interested in whether the SLA had any views to add to the conversation. There was a bit of a chat about how much land we have left in the ACT. Did you have anything you would like to add to the conversation?

Ms Berry: I was just checking on the number that was quoted previously. So 2030?

Mr Ponton: I might jump in and say that, in terms of the portfolio responsibility—in terms of determining and doing the analysis—that does rest with the directorate. I think I can confidently say the answer you received earlier is the answer.

MS ORR: It is a good one. Yes, okay.

Ms Berry: Before you go on about that, it is a good question to ask to understand the land release program, where we build housing and dwellings and build new areas, and why infill is very important as well, as we build the city, and the type of infill that we build. I know you are really interested in ensuring that we have sustainably appropriate and environmentally sustainable infill, not just a concrete hotspot all across the city.

At some point we will run out. Our kids will have to be making these decisions in the future about where we build new homes. It cannot all be in greenfields if we want to remain the bush capital. That work is important—how it is managed, how the land release program is going ahead, and where you build affordable community and public housing.

You do not want to create ghettos in new greenfield sites of just public housing. We need to continue to take that salt-and-pepper approach across the city so that it is evenly spread and we have good, strong, vibrant communities. Building more houses but not building on new greenfields is a challenge that faces us when moving forward. We are putting together the strategy of land release, what goes on that land and infill.

THE CHAIR: The Auditor-General today has handed down her inquiry into the assembly of rural land west of Canberra. Whilst we are talking about land release, can you update the committee on what the current thinking is on the use of those rural leases that were acquired under the former LDA?

Ms Berry: Are you referring to something in the release, which none of us has seen yet?

THE CHAIR: The department and the SLA were provided with a copy prior to publication. You also have commentary in the report.

Ms Berry: Yes, but I am the minister responsible, and I have not seen it yet. With respect, I will not be sitting here reading a report and responding to questions with 10 minutes to go on a Friday afternoon.

THE CHAIR: I am just alluding to the report, minister, but clearly—

Ms Berry: Okay, that is fine. If you want to talk about—

THE CHAIR: the 10 leases that are the subject of that inquiry still form part of the thinking of the SLA.

Ms Berry: It is perfectly okay to ask questions about the intent for land. That question has been answered a number of times in this place and in the Assembly. But if you are asking me or anybody here to respond to a document that I have not personally seen yet—

THE CHAIR: I am not asking you to respond to it. The question clearly was this: what is the current thinking on the blocks in question in that report?

Ms Berry: Mr Wall, thank you, and thank you for interrupting me. I am happy to respond to the questions, which have been answered previously in this place, about the purpose of the new land purchases. At this stage I think it is still being considered.

Mr Ponton: I can make some comments, with my planning responsibilities. We talked about this earlier in response to a question from Ms Le Couteur, with Minister Gentleman as the planning minister. We are undertaking a planning strategy refresh. Before that, there was the 2012 ACT planning strategy. That strategy did identify areas for further investigation on the western edge, as well as a number of other actions. As part of the planning strategy refresh, we expect that we will again look at opportunities.

But, as I said earlier, that review will not be considering who owns the land. That is

not a key consideration when you are looking at this high level strategic planning. From a planning perspective, we will continue to look at opportunities for greenfields development within the city as a part of the planning strategy refresh. That will not be considering the tenure of the land.

THE CHAIR: What do you mean by that, Mr Ponton? Will you consider the tenure of the land? Will you not consider whether or not further land is needed to be acquired by the territory?

Mr Ponton: No, that is not what I am saying at all.

THE CHAIR: No?

Mr Ponton: What I am saying is that, in undertaking a planning analysis of the need for residential development and where that might go, who owns the land is immaterial. It is not relevant to the planning consideration. I will not stop in undertaking a planning analysis at a property boundary; I will consider the area. As you work through, you consider whether or not there is a slope that could prevent residential development. You would be looking at environmental values and the like. For example, in respect of environmental values, that does not stop at a property boundary. That is what I am saying.

From my perspective, we will continue to undertake the review or refresh of the ACT planning strategy. We will in turn provide advice to the government through the minister for planning. That will then set the broad vision, the structure, for the city for the next 30 or 40 years. Having said that, we of course always do review, or decide whether to review, the planning strategy every five years to ensure that it is contemporary.

THE CHAIR: Is that an ongoing process? Is that current review underway at the moment?

Mr Ponton: The planning strategy? Yes, we talked about that.

THE CHAIR: When do we expect to have that?

Mr Ponton: Again, as I said during the day—I think it was just before the lunch break—that work is underway. It kicked off last night with the speaker series. That work we are hoping will be completed by the end of this calendar year—that is, in terms of the work that we need to do to present to government for their consideration—and, following from that, further planning work may need to be done. I expect that the planning strategy refresh, or the final strategy, if adopted by government, will then have a series of actions that will require further, more detailed, analysis to be undertaken for those areas identified for future growth.

MR PARTON: You say that, when considering land for future greenfields development, whoever the owner of the land is irrelevant. Do you basically just identify what is the best place to go and then take it from there?

Mr Ponton: Yes.

MR PARTON: You cannot get away from this question: what was the point of the government purchasing the land?

Mr Ponton: That is not a question to direct to me, Mr Parton.

MR PARTON: Minister Berry?

Ms Berry: The purpose of which land?

MR PARTON: Mr Ponton has just said that, when it comes to assessing sites for greenfields development in the future, the tenure of that land, whoever owns that land, is irrelevant—that a decision will not be made because the government owns this massive block; that is where we are going to do it. If that is the case, what was the point of purchasing the land? What was the point of purchasing the rural leases?

Ms Berry: Mr Ponton has already talked about the responses he provided today on the planning refresh, which occurs every five years.

MR PARTON: Yes, but that is not what I am asking.

Ms Berry: I get confused when you ask why we purchase new land because we do need to build houses and you keep—

MR PARTON: Yes, but Mr Ponton has just said that it does not—

Ms Berry: We keep getting asked to build new houses. We need to build more houses, absolutely, as our population grows. So, yes, we will need to purchase land. We cannot do all infill and we cannot do all greenfields.

MR PARTON: But Mr Ponton has just said—

Ms Berry: Part of the planning goes towards what we are actually going to do there. I think there is confusion there. Are you suggesting that there is some confusion about going in and just taking over the land?

MR PARTON: No. Mr Ponton suggested that a decision would be made at some point that perhaps we should expand here in this site. He has made the very, very clear point on a number of occasions that the owner of that land at the point of that decision is of no consequence; that the best slice of land will be chosen. What if that does not happen to be one of the rural leases that the government has purchased? That leads to this question: what is the point of buying these large tracts of land if the decision will be based on not what the government actually owns at the time but what is the best place to build it?

Mr Ponton: I am happy for my colleagues in the Suburban Land Agency to continue this conversation. You cannot lose sight of the fact, Mr Parton, that the 2012 ACT planning strategy, which is the current planning strategy for the territory, does identify the western edge as potential future development. That gives an indication to anyone in this city, or anyone across the border, of what the government's intentions are in

terms of where it wants to look for those opportunities.

What we now need to do as we undertake the planning strategy refresh and subsequent planning studies, which I suspect will be identified through that process, is start to determine the capability. It may be that some of the land that has been purchased could be of high environmental value. That does not mean that it is a purchase that ought not to have been made. That land can then be used as a part of a reserve, environmental offsets. It can be used for infrastructure. We talked a little bit about that this morning in terms of central Molonglo.

MR PARTON: That is the answer I was looking for. That is what I was looking for.

Mr Ponton: What I am saying to you is this: I am not going to say that, because this parcel here has been purchased by the government, all of that will be for residential development. I need to undertake the analysis—consider the data available and the evidence—to determine what extent that may be suitable for future land development. But importantly, the land, as I understand it, which has been purchased by the former Land Development Agency does sit within the area identified as potential future.

MS LE COUTEUR: To quite an extent, Mr Parton has already asked my questions. Does that mean that in the future, given how you are planning to do our strategic plan for the ACT, there will be no need for the ACT government to make purchases of land in advance of clear, defined plans and zonings? Will your planning be done independent of tenure? In effect, we do not have to get ahead of ourselves.

Mr Ponton: The planning strategy itself, as I said, is reviewed every five years. When we undertake this planning review, I suspect that it will identify areas for further investigation. That further investigation may take a year; it may take two years; it may take longer to undertake. We are talking about quite an expansive area. So, no, I do not think that is what I am saying at all.

From a planning perspective, as the independent statutory authority chief planning executive, I am not at all concerned about who is buying the land and who owns the land. That is the point that I am making. I need to consider the area that I am studying based on the facts of the land capability, the geology and the impact on the environment—those types of issues. That is the point that I am making.

THE CHAIR: Are there currently any land acquisitions under consideration by the Suburban Land Agency?

Mr Dietz: There have been no recommendations from our board to the government to acquire land.

THE CHAIR: We will suspend. I do not think there were too many today, but we ask that any questions taken on notice be returned to the committee secretary within five days. Day one, for counting purposes, will be Monday.

Short suspension.

Appearances:

Burch, Ms Joy, Speaker of the Legislative Assembly for the Australian Capital Territory

Office of the Legislative Assembly

Duckworth, Mr Ian, Executive Manager, Business Support Branch

Skinner, Mr David, Director, Office of the Clerk

THE CHAIR: Welcome to the final session of this year's estimates hearings. We are now examining the appropriation of the Office of the Legislative Assembly.

Ms J Burch: I wanted to start with an opening statement, but perhaps not. I have one prepared, so can I table it as a courtesy to the Assembly?

THE CHAIR: Please. It is one of the two tabled statements for this inquiry.

Ms J Burch: I will thank the Clerk and all the officers within the OLA for the great work they have done over the year. They keep us functioning, so that is my opening statement.

THE CHAIR: That is echoed by all members. Madam Speaker, could you provide an update on the security improvements happening in and around the Assembly?

Ms J Burch: I will bounce that to Ian Duckworth, who can refer it to Scott Howard if we need the detail.

Mr Duckworth: We are at a fairly early stage. We have engaged with one firm, and we have another meeting on Monday with a second firm. We are basically taking them through the issues we believe need to be addressed in the design mainly of the public entrance. We are also conscious that the members entrance will ultimately face the new government office block and we expect that, once that is completed in 2020, considerably more ACT public service traffic will be coming into the building.

We envisage, probably within the coming month, giving a scoping document to the consultants to come back to us with a fee proposal. We would then engage one of those firms. It is not going to be a huge amount of money involved, but we would use whoever we engage to look at the types of security improvements we should adopt. We would then expect to engage with some architectural expertise to look at how we achieve that in the design. That would lead to a submission to next year's budget for a package of works.

THE CHAIR: Has a consultancy been engaged yet for that body of work?

Mr Duckworth: Not yet, no. I envisage that is probably four to six weeks away.

THE CHAIR: What security assessment has been done of the new parking arrangements currently in place?

Mr Duckworth: For the car park we had before December an assessment was done in

2014-15 that suggested that we should look at improving CCTV. We knew at that stage that the Constitution Place development was happening, and digging trenches and installing cameras for a site that was going to be pulled up did not make a lot of sense, so we held off on that.

We installed CCTV cameras in the car park members moved to in January. When that zone was relocated recently it was brought to our attention that we need to have NCA approval for the erection of CCTV cameras. The good news is—and hot off the press—that I spoke to the NCA this afternoon about the process and we envisage that, within a week or so, we could expect that approval to be granted. We have the cameras and the posts, so the work is ready to be done. We just need the necessary approvals which will give us the ability to have remote surveillance of that area.

THE CHAIR: Who monitors that CCTV?

Mr Duckworth: It is monitored by the Assembly security staff, if necessary. The Clerk has just reminded me that additional lighting was installed at the base of the stairwell. The initial lighting was not particularly good.

Ms J Burch: That is helpful for theatregoers as well with that new parking area.

MS LEE: Does the CCTV cover that alleyway behind CMAG, where I think most of us would be walking through at the moment?

Mr Duckworth: No, it does not.

MS LEE: That area gets quite dark, and on occasion I have come across some people loitering there, especially when I have left the Assembly quite late at night. I have been meaning to raise that as a safety concern. I think that most of us cut across that back way, especially now with the car park along the top. Is there any plan to look into that at all?

Mr Duckworth: There is now.

Ms J Burch: I do not think there are active plans. Now that the high car park is commissioned, CMAG and the theatre have also raised the need for additional lighting because that will be a new pathway for their theatregoers and customers. It is something on which we can work and talk with them and assess the need for CCTV. But it is family-friendly hours, too, Ms Lee, I just remind you.

MS LEE: Yes, but nowadays when it gets dark at 4.50 it is pretty bad.

MS CHEYNE: I note that the entrance is being treated as a security concern and the hope is for money in the budget in the following financial year. Are there interim measures we can put in place? I have concerns about it currently as a security risk.

Ms J Burch: The main entrance?

MS CHEYNE: Yes, the main one. The members entrance I think is reasonably safe in the way it operates. But the main entrance, both from a security perspective and the

perspective of getting into the Assembly, presents a few challenges for people, particularly where we have two entryways where only one is ever open at one time. That is confusing, including for me. But the way people can walk through and the tailgating that occurs are of concern.

Mr Duckworth: We are very mindful that the design is not ideal. We need to keep trying to educate people within the building about discouraging tailgating. We have a desk that people should report to and there is a process for people to be signed in. There is obviously a need for people who do not have a pass to present for screening. We have been aware for some time that the design does not function ideally, but to change those arrangements in the interim I think we would be hard pressed to come up with a better solution for the existing infrastructure.

MS CHEYNE: But even the direction the attendants face is out into Civic Square rather than looking at people coming in. If you walk quite close to the wall, you can barely be seen.

Ms J Burch: It is recognised that we can do better, as far as with the built form, even as it is. We will probably wait until we get that broader consultancy work in to determine how we reconfigure it completely.

Mr Duckworth: In a better designed entrance people would be screened before they are issued with a visitors pass. At the moment people present because they have a meeting with whomever, they are issued with a pass and then we screen them. That is not best practice. The ideas for the entrance way are to change that.

The other issue is that you have building occupants swiping through a door and that creates an opportunity for people standing around who have not been granted entrance yet. They are the sorts of issues that we are confident that we will overcome through a redesign. But with the current positioning and configuration of doors I do not think we can come up with a better option. If there were a better option at the moment I think we would be using it.

MS CHEYNE: In terms of accessibility and making the Assembly feel like a more attractive place to get into—in a positive way, not in a malicious way—is there a reason why during the day both the sliding doors are not open?

Ms J Burch: The after-hours door?

MS CHEYNE: Yes, the after-hours door. A lot of people are coming from the bus or the mall or whatever, and they come to that door but then have to walk around.

Ms J Burch: Is that doable?

Mr Duckworth: Yes, we could take that on board.

Ms J Burch: It is just a matter of time; it could be controlled by time as to when it opened.

MS CHEYNE: It does not seem to me to be a security issue, but it creates

inaccessibility.

Ms J Burch: It is not just visitors; I can be wandering up with a coffee in hand and think that door is going to open for me.

MS CHEYNE: In terms of perception of the Assembly as an open and welcoming place, it gives quite a different impression.

MS LEE: Mr Duckworth, you were talking about screening processes of visitors. Is there a reason why, for example, we do not ask visitors to show ID like at Parliament House? Was that a conscious decision or just a default?

Mr Duckworth: The difficult that we have is that the Assembly is an open place. There are no members of the public at this committee—I do not understand why—but certainly people come to visit the Assembly; people coming to visit members. I think it was tossed around some years ago about whether we should be more insistent on people identifying themselves but that caused blowback from members who said, “Hey, you’re sending the impression to people who are legitimately coming to visit me that they need to prove their bona fides.”

MS LEE: I do not raise this because I want it to happen; it is just whether it was a conscious decision or kind of a default.

Ms J Burch: In my time it has never been asked. Any of that experience was before 2008. Certainly there has always been the assumption that if you come and ask to see someone, a phone call will be made and if the member is happy to see you a pass will be issued.

Mr Duckworth: We have instances where members or ministers’ officers will say, “I don’t know who that person is,” in which case our advice to the visitor would be, “Apparently you don’t have an appointment. You’ll need to make an appointment to come back.”

Ms J Burch: On the very rare occasion that somebody may come in multiple times without a scheduled appointment, there are measures to deal with that as well.

Mr Duckworth: For completeness, I make the observation that there are CCTV cameras throughout the building and around the entrance as well.

MS LE COUTEUR: My question is about training for staff. Is there any way this can be paid for by the Assembly?

Ms J Burch: There is a budget for training, and it is never fully spent.

MS LE COUTEUR: I applied for some money for a member of staff a month or so ago. I applied to your office, as that is where I thought it went. They said, “You can send it over to HR.” We have not received any response. There did not appear to be any procedure. It was for a housing conference, about \$400, about a month ago. My office manager could not work out any procedure.

Mr Duckworth: I must say, there is a very clear process, and regular requests come either to the Speaker's office or sometimes directly to HR. There is a process whereby they are reviewed, examined and relayed to the Speaker's office. Rarely are they rejected. Sometimes they are a little bit obscure or a little bit ambitious. But we certainly have a process, and there is a \$20,000 fund that is usually not fully subscribed in a year.

Ms J Burch: It is in the members guide.

MS LE COUTEUR: What do I—

Ms J Burch: It can be a simple email to me.

MS LE COUTEUR: That has already been done, if I believe my office manager.

Ms J Burch: I have no memory of it, Caroline. I will check.

MS LE COUTEUR: We could not find anything, so I thought, "Okay, things have changed."

Ms J Burch: No, no, no. I will check my records, and clearly OLA will check theirs. It can be a simple email setting out your staff member and what they want to do. There is some guidance around what will be supported, but if it is within the realm of what is supported it is usually funded.

Mr Duckworth: We will certainly follow that up from our end. I have just spoken to our HR manager and we cannot recall the particular incident. But regular requests are made and they are usually turned around quite quickly.

Ms J Burch: As I look across the committee, I think most of you would have had support for your staff. Ms Le Couteur, we will check, and if you want to flick it through again we will make sure it is attended to.

MS LE COUTEUR: I will try to. The only issue is that the office manager has left now and whether I will be able to find—

Ms J Burch: Just send a fresh request. We will check. It is easily dealt with.

MS LE COUTEUR: Thank you very much, Madam Speaker.

MS LEE: Having sat here for two weeks we have probably noticed it more acutely, but there is an issue with temperature. The Kiribati room is much worse, but here it is also a problem. Sometimes it is boiling hot and at other times it is freezing. Is that being addressed?

MS CHEYNE: Kiribati is an icebox.

MS LEE: Yes, it is really, really bad.

Mr Duckworth: There are a number of dimensions to this issue. The building has

been occupied by the Assembly since 1994. Winters are worse than summers; I do not think there has been a winter where people have not identified issues. The buildings are very difficult to manage with our heating, ventilation and cooling system. The double glazing project funded in this budget will go some way to addressing that issue. It will make a substantial difference, but that alone will not address the issue.

We have had recent feedback about issues in the Kiribati room. Often when that room is used it is at quite short notice. Someone might go in there and say, “I need to get the heating and ventilation and cooling working,” and it takes about three hours to kick in. We have recently had a detailed submission from the committee support staff about that issue and we are progressively working through that.

Another thing that is very useful to bring into this discussion is that when we upgraded the building, in readiness for the last election and the increase in the number of members, a lot of the heating, ventilation and cooling systems on levels 1 and 2 were upgraded. We did not have the funding to complete the ground floor. The ground floor is a design challenge and we have to do considerable work on that.

In the run-up to the 2020 election, when committee activity draws to a close around August and we have that window through till about February of the next year, we think we may have this corridor completely closed for the plant to be replaced. This stuff is 30 years old. The progress that has been made in 30 years in terms of efficient heating and cooling systems will go some way to solving the issue. But there are high ceilings and a number of issues.

Ms J Burch: They are not insurmountable. A new HVAC system is needed, but the downtime in the committee area is such that you can only do it once every four years, in the election period, so that is what we are looking to do, and another budget bid will go in. But if there are problems, you have to put them through.

We went through an exercise last year and found 50-plus heaters in the building. That all very well, but if you have a heater sitting in a room, the butterfly effect goes right through every other part of the system. So if there is a problem, let us know. I do not want to do another heater audit, but we will see how we go.

Mr Duckworth: We cannot start the double glazing project during winter because we dare not pull windows out during winter; we have to wait for the weather to warm up a bit to do that. I will be very surprised if we have not had some improvement next winter, but it is not the silver bullet. The next significant improvement will be the opportunity to upgrade the entire ground floor heating, ventilation and cooling system, and that is a big project.

MS LEE: I hope I am elected next term so that I can benefit from the improved heating.

MS ORR: While we are at it, I would not be against some curtains, too.

Ms J Burch: Can I be so bold as to suggest that the committee recommend a new HVAC system in the 2019-20 budget? Just saying, members.

THE CHAIR: It has been duly noted.

MS ORR: Is there a view on curtains for offices, because that would help with the double glazing investment.

Ms J Burch: Curtains?

MS ORR: Yes.

Ms J Burch: Designer curtains?

MS ORR: Well, I do not mind.

MS LEE: Even blackout curtains in the Kiribati room might help.

Ms J Burch: We will take that in and see what we can do.

THE CHAIR: I have asked officers of the Assembly this same question: how have you found the appropriation process? And are there areas that could be improved going forward?

Ms J Burch: For me it is fairly straightforward. David Skinner might have comments. The current arrangements have been in place since about 2013-14. Because they are recognised as officers of the Assembly, what they recommend to me is what I forward on to the Treasurer as a recommendation. David, is there anything you want to add?

Mr Skinner: I do not think I have anything to add. I do not know how officers have found the process; ultimately that is between the officers and the Speaker. You are probably aware that the Financial Management Act has certain consultation requirements between committees and between the Speaker and the officers themselves. It is my understanding that they have worked reasonably well without any major issues, but I will be guided by the Speaker's understanding.

Ms J Burch: The Treasurer is obligated to say why the executive did not approve all of the appropriations. We put in additional bids and got half and not others. That is always disappointing, but that is the budget process.

THE CHAIR: Thank you, Madam Speaker and Assembly officials. Mr Duckworth is going to take one question on board.

MS CHEYNE: How about "on board" and report back to admin and procedure? That way you do not have a QON.

THE CHAIR: This concludes 11 days of public hearings.

Ms J Burch: We wish you well in your deliberations from here.

THE CHAIR: Thank you. I express the thanks of the committee to the secretaries who have all helped with the committee, particularly Nicola Kosseck, who has been the official secretary of this committee. The attendants have kept everyone well

hydrated and fed through the morning tea and afternoon tea breaks. A special thanks to those in the Hansard booth who have had to endure the last 11 days with us.

The committee adjourned at 5.30 pm.