

SELECT COMMITTEE ON ESTIMATES 2018-19

MINISTER FOR HOUSING AND SUBURBAN DEVELOPMENT

29 JUNE 2018

3:15PM – 5:00PM

Chair – Andrew Wall MLA
Deputy Chair – Tara Cheyne MLA
Member – Caroline Le Couteur MLA
Member – Elizabeth Lee MLA
Member – Suzanne Orr MLA

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Portfolio: Housing & Suburban Development

Budget Paper: N/A

ISSUE: AUDITOR-GENERAL PERFORMANCE AUDITS – IMPLEMENTATION OF RECOMMENDATIONS

Talking points:

Tender for Dickson land sale

- The ACT Auditor-General released Report No.3 of 2018 - *Tender for sale of Block 30 (formerly Block 20) Section 34 Dickson* on 22 February 2018.
- The report made four recommendations, including improving the tender process, strengthening probity, governance and assurance, and reinforcing organisational values.
- The Government has agreed to all recommendations and actions are underway for their implementation, including the review assessment and enhancement of the processes, practices, training and culture related to organisational values.

Certain Land Development Agency Acquisitions

- The ACT Auditor-General released Report No.7 of 2016 - *Certain Land Development Agency Acquisitions* on 30 September 2016.
- The report made seven recommendations covering: documentation of decision making, including the intent and purpose of land acquisitions; the procurement and use of valuations; provision of information to the Board and the understanding of Board roles and responsibilities; understanding of the compulsory acquisition process; the application of the then Land Acquisition Policy Framework in authorising acquisitions; and procurement and contracting of former executives.
- The Government agreed the recommendations and actions to address them have been completed.

Key Information

Tender for Dickson land sale

- The Government Response was tabled in the Legislative Assembly on 7 June 2018.

- Recommendation 1 relates only to Environment, Planning and Sustainable Development Directorate (EPSDD). Recommendations 2 and 3 relate to the strengthening of probity, governance and assurance in procurement processes. EPSDD, the City Renewal Authority and the Suburban Land Agency are reviewing, assessing and enhancing the processes, practices, training and culture related to probity and procurement as part of the continuous improvement cycle that underpins the new arrangements.
- Recommendation 4 states that the agencies mentioned above should reinforce organisational values by clearly articulating their values and providing guidance to staff on how these are to be implemented, and by implementing procedures that reinforce and infuse the values throughout the organisation. The agencies are continuing to review, assess and enhance processes, practices and culture related to organisational values as part of the continuous improvement cycle that underpins the new arrangements.

Background Information – may not be suitable for public disclosure

Tender for Dickson land sale

- The Audit Report considered specific historical transactions of the former Economic Development Directorate and the supporting services of the Land Development Agency. These transactions relate to a number of blocks connected to the re-development of Dickson.
- The Report did not test or otherwise consider the governance supporting the establishment of the City Renewal Authority or the Suburban Land Agency or procurement practices for either entity.

Audit into Assembly of rural land West of Canberra

- The Audit Office is currently completing an audit into the 'Assembly of rural land West of Canberra'. The report is expected to be released in late June 2018. The audit was identified following the 2016 audit into 'Certain Land Development Agency Acquisitions'. No detail about the report can be made public prior to the formal release of the report by the Auditor General.

Portfolio: Housing & Suburban Development

Budget Paper: N/A

ISSUE: SUBURBAN LAND AGENCY OPERATIONAL GOVERNANCE

Talking points:

- The Suburban Land Agency (SLA) has actively engaged and promoted operational Governance as a key priority.
- The SLA Board provides active oversight to the SLA, ensuring appropriate Delegations have been enacted, Chief Executive Instructions providing guidance to staff are in place and that regular monitoring and reporting processes provide transparency to the operations of the SLA.
- This is further supported with oversight from the Environment, Planning and Sustainable Development Directorate (EPSDD) through the Portfolio Project Governance Committee, an internal audit program provides key governance support under a Service Level Agreement.

Robust governance frameworks

- The Act establishes key governance measures that apply to the operations of the Authority and the Agency. These include:
 - Annual direction setting by the Minister, which is achieved through an Statement of Expectation issued to the Agency;
 - Annual Statements of Intent (under the *Financial Management Act 1996*) – prepared by the Agency and approved by the responsible Minister and the Treasurer;
 - Clear and direct accountability of the SLA Board Chair to the Minister for the performance and operational governance of the SLA in pursuit of the Government’s expectations and directions;
 - A Board-appointed Chief Executive Officer (CEO) engaged under the *Public Sector Management Act 1994* and accountable to the Board for the operations of the SLA and staff engaged by the CEO;
 - The use of written Ministerial directions to the SLA to provide further or additional communication of government expectation or intent with respect to the discharge of their functions.

- The Directorate has established a Portfolio Project Governance Committee to focus on consolidating governance systems and frameworks, adapting project management governance, standardising records management and updating operational policy and procedures.
 - The Committee meets monthly and is chaired by the Directorate’s Chief Operating Officer. Membership includes senior executive representation from within the Directorate, the SLA, the CRA and Treasury. The group has an ongoing workplan that is agreed and prioritised by all parties.
- To date, the Committee has contributed to the development of:
 - a Land Release and Development Governance Framework that provides a simplified representation of how land release and development works across the ACT Government and who is responsible for each part of the process (see separate brief regarding this); and
 - An operational policy across land related governance issues such as the management of rural subleases and licences and the purchase of land by portfolio staff, contractors, and public sector members, and the guideline on the acquisition of land under the *Lands Acquisition Act 1994*.
- The Directorate provides enabling corporate services to the Authority and the Agency under written service agreements that are based on the principle of cost neutrality, reflecting the transfer of resources and accountabilities flowing from the 1 July 2017 machinery of government changes (see Service Agreements – Land Entities brief).

Transparency and accountability

- It is critical to public confidence and trust in the work of Territory entities that operations are conducted properly and are open to scrutiny.
- The arrangements that took effect on 1 July 2017 are founded on an expectation of transparency and accountability, reflected in the governance systems established and evidenced through:
 - notification on the Legislation Register of various instruments including the Land Acquisition Directions, the Housing Target Determination, the Statement of Expectations and Statement of Intent;

- implementation of the reporting framework for land acquisitions as per the requirements of the *City Renewal Authority and Suburban Land Agency Act 2017*;
- publication of the minutes of board meetings by the SLA; and
- publication of key governance and operational material.

Operational Response

- The SLA and EPSDD have established a work program to systematically implement, review and update key governance functions and continue to work collaboratively to achieve these outcomes.
- Fraud and Ethics Prevention training and Probity training programs have been rolled out to all SLA staff, a new records management system has been implemented and staff have received appropriate training. These sessions have been further supported by regular all staff emails and reiterated through various staff meetings.
- Information sessions on the new *Freedom of Information Act 2016* have been presented and the requirements of all staff to operate in a transparent and compliant manner has been reiterated.
- The SLA is committed to effective and efficient identification, treatment and monitoring of risks to the organisation. Oversight of risk management processes are undertaken by the SLA Board Audit and Risk Committee. Day to day management of risk is the responsibility of all staff with oversight provided by the Business Operations Manager.

Key Information

- The SLA Executive continue to promote governance as a key function of SLA operations and provide leadership by promoting and modelling appropriate behaviours.

Background Information – may not be suitable for public disclosure

- On 1 July 2017, the *City Renewal Authority and Suburban Land Agency Act 2017* came into effect and formally established the Suburban Land Agency (SLA) and City Renewal Authority. The Agency has standing as a statutory authority, with a Governing Board reporting directly to a Minister.
- In establishing the new entities, the Government gave effect to revised Administrative Arrangements that identify the Environment, Planning and Sustainable Development Directorate (EPSDD) as the Administrative Unit responsible for the Agency and the Authority.

- Under these arrangements the EPSDD Governance Team provide support to the Agency by providing resources to facilitate the ongoing development and monitoring of the governance arrangements implemented by the SLA.

Portfolio: Housing & Suburban Development

ISSUE: SERVICE AGREEMENT BETWEEN EPSDD AND THE SUBURBAN LAND AGENCY

Talking points:

- Several core enabling services are provided by the Environment, Planning and Sustainable Development Directorate (EPSDD) to the Suburban Land Agency (the Agency). The services provided by EPSDD are:
 - People and Capability (formerly called Human Resources)
 - Governance
 - Information and Records Management (including Freedom of Information)
 - Legal support
 - ICT Business Systems
 - Government Services
 - Facility and Fleet Management.
- Financial services are not provided by EPSDD, as they are provided by a core in-house team embedded within the Agency.
- EPSDD and the Agency have entered into a service agreement to ensure appropriate governance over the provision of these core services.
- The service agreement is based on the principle of cost neutrality, reflecting the transfer of resources and accountabilities flowing from the 1 July 2017 machinery of government changes. It includes provision for charging for out-of-pocket and for additional services not captured in the current agreement.
- The service agreement includes robust dispute resolution and review procedures, including communication arrangements, to enable effective responses to operating issues and risks.

- A quarterly review of the service agreement was finalised in May 2018. Over the first quarter of 2018, all services provided under the agreement were delivered when requested. All issues and recorded exceptions to agreed performance measures have been resolved, are being addressed or have been flagged for consideration as part of a review process that will deliver a revised service agreement upon expiry of the current agreement.
- The inaugural service agreement is due to expire shortly and a process for review is underway. The operation and performance of the current agreement will inform the development of the new agreement.

Background Information – may not be suitable for public disclosure

- Under the Administrative Arrangements 2017 (No 1), EPSDD is the administrative unit responsible for the Agency.
- The service agreement was signed on 22 December 2017. However, EPSDD provided enabling corporate functions and support to the Agency from the time of its commencement on 1 July 2017.

Portfolio: Housing & Suburban Development

Budget Paper: N/A

**ISSUE: SERVICE AGREEMENT BETWEEN THE SUBURBAN LAND AGENCY
AND THE CITY RENEWAL AUTHORITY**

Talking points:

- Under a service agreement between the Suburban Land Agency (the Agency) and the City Renewal Authority (the Authority), the Agency provides the following services to the Authority:
 - Financial Management;
 - Valuations; and
 - Estate Management.
- Where the Agency has acquired funding or resources as part of machinery of government arrangements to provide the service, there is no charge for the service.
- Where the service or service standard required exceeds the resource or funding acquired by the Agency to provide the service, then costs are payable on a 'by negotiation' basis.
- The service agreement includes robust dispute resolution and review procedures, including communication arrangements, to enable effective responses to operating issues and risks.
- The inaugural service agreement is due to expire shortly and a review process is currently underway. The operation and performance of the current agreement will inform the development of the new agreement.

Background Information – may not be suitable for public disclosure

- Under the Administrative Arrangements 2017 (No 1), EPSDD is the administrative unit responsible for the Suburban Land Agency and the City Renewal Authority.

Portfolios: Housing and Suburban Development
Planning & Land Management

ISSUE: PORTFOLIO GOVERNANCE

Talking points:

- The expanded Environment Planning and Sustainable Development Directorate portfolio includes robust governance frameworks that deliver on the Government commitment to enhance the transparency and accountability of land release and development activities.
- On 1 July 2017 the Directorate's portfolio of responsibilities expanded to include land strategy and land release functions pursuant to the Administrative Arrangements 2017 (No 1).
- The *City Renewal Authority and Suburban Land Agency Act 2017* (the Act) abolished the Land Development Agency and in its place established the City Renewal Authority (the Authority) and Suburban Land Agency (the Agency).
- Collectively, the Directorate, Authority and Agency operate within an Environment, Planning and Sustainable Development Portfolio.

Robust governance frameworks

- The Act establishes key governance measures that apply to the operations of the Authority and the Agency. These include:
 - Annual direction setting by the responsible minister(s), which is achieved through a legislative Statement of Expectation for the Authority and similar administrative direction for the Agency;
 - Annual Statements of Intent (under the *Financial Management Act 1996* and the Act in relation to the Authority) – prepared by each entity and approved by the responsible minister and the Treasurer;
 - Clear and direct accountability of the Chair of each governing board to the responsible minister for the performance and operational governance of the entity in pursuit of the Government's expectations and directions;
 - A board-appointed chief executive officer (CEO) engaged under the *Public Sector Management Act 1994* by the board and

- accountable to the board for the operations of the entity and staff engaged by the CEO;
- The use of written ministerial directions to the entities to provide further or additional communication of government expectation or intent with respect to the discharge of their functions.
 - In administering the land functions within the portfolio, the Directorate supports Ministers through providing advice on:
 - land planning, development and release policy, including the land release program
 - strategic land use
 - affordable housing
 - public housing renewal program and
 - major land and property project facilitation;
 - sets portfolio policy directions that support consistency in approach and transparent and accountable administration; and
 - monitors the governance arrangements of the Authority and the Agency, supporting Ministers as they assess the performance of the entities and how effectively their expectations have been met.
 - The Directorate has established a Portfolio Project Governance Committee to focus on consolidating governance systems and frameworks, adapting project management governance, standardising records management and updating operational policy and procedures.
 - The Committee meets monthly and is chaired by the Directorate's Chief Operating Officer. Membership includes senior executive representation from within the Directorate, the Agency, the Authority and Treasury. The group has an ongoing workplan that is agreed and prioritised by all parties.
 - To date, the Committee has contributed to the development of:
 - a Land Release and Development Governance Framework that provides a simplified representation of how land release and development works across the ACT Government and who is responsible for each part of the process (see separate brief regarding this); and
 - An operational policy across land related governance issues such as the management of rural subleases and licences and the purchase of land by portfolio staff, contractors, and public sector

members, and the guideline on the acquisition of land under the *Lands Acquisition Act 1994*.

- The Directorate provides enabling corporate services to the Authority and the Agency under written service agreements that are based on the principle of cost neutrality, reflecting the transfer of resources and accountabilities flowing from the 1 July 2017 machinery of government changes (see Service Agreements – Land Entities brief).

Transparency and accountability

- It is critical to public confidence and trust in the work of Territory entities that operations are conducted properly and are open to scrutiny.
- The arrangements that took effect on 1 July 2017 are founded on an expectation of transparency and accountability, reflected in the governance systems established and evidenced through:
 - notification on the Legislation Register of various instruments including the declaration of the City Renewal Precinct, the Land Acquisition Directions, the Housing Target Determination, the Statement of Expectations and Statement of Operational Intent for the Authority;
 - publication of the Minister’s Statement of Expectations issued administratively to the Agency;
 - implementation of the reporting framework for land acquisitions as per the requirements of the *City Renewal Authority and Suburban Land Agency Act 2017*;
 - publication of the minutes of board meetings by the Authority and the Agency; and
 - publication of key governance and operational material by the Authority and the Agency.

Background Information

- *Administrative Arrangements 2017 (No 1)* commenced on 1 July 2017, which among other things, allocates relevant matters to ministers and directorates, including in relation to the Authority, the Agency and EPSDD.
- The Administrative Arrangements provide that the Chief Minister is responsible for the operation of the Authority and the Minister for Housing and Suburban Development is responsible for the operation of the Agency.

- In addition, the Minister for Urban Renewal is responsible for policy matters for the Agency as it relates to sites outside of greenfield developments and declared urban renewal precincts.
- The Minister for Housing and Suburban Development is responsible for policy matters for the Agency as it relates to greenfield sites.
- The independent Planning and Land Authority remains solely responsible for assessing and granting development approval under the *Planning and Development Act 2007*.

Portfolio: Housing & Suburban Development

ISSUE: FREEDOM OF INFORMATION AND OPEN ACCESS

Talking points:

FOI Act

- Information access requests are centrally managed by the Directorate's Information Management Team for all entities of the Environment, Planning and Sustainability Development Portfolio (Portfolio); this includes the Directorate, the Suburban Land Agency, and the City Renewal Authority.
- The provision of information access services is set out by service agreements between the Directorate and the Agency and the Directorate and the Authority.
- As at 30 May 2018, the Portfolio has completed 100 FOI applications in 2017-18.
- The Portfolio maintains a 100 per cent rate of compliance for processing applications under the *Freedom of Information Act 2016* (FOI Act 2016).
- Since the FOI Act 2016 commenced on 1 January 2018, the Portfolio has experienced a 35 per cent increase in applications compared to the previous six months under the former *Freedom of Information Act 1989* (FOI Act 1989).
- One FOI applicant sought Ombudsman review of an FOI access decision under the FOI Act 2016.
- The Portfolio is finalising activity on the final 10 legacy FOI requests under the FOI Act 1989, including two requests received at the end of 2016-17.

Open Access Information Scheme (OAIS)

- The Environment, Planning and Sustainable Development Directorate is meeting its commitment under the Open Access Information Scheme (OAIS) Compliance Strategy (the Strategy).
 - The Strategy sets out the Directorate's 12 month plan to achieve compliance under the OAIS and introduce proactive disclosure as standard business practice.

- OAI activity is reported to the ACT Ombudsman and Directorate's Senior Executive committees.

Key Statistics for 2017-18 (as at 30 May 2018)

	FOI Act 1989	FOI Act 2016
Applications received	56	73
Breakdown of applications received		
Completed	48	52
Pending	8	21
Application type		
Legal firm	3	1
Media	3	9
Organisation	7	7
MLA	13	17
Public	30	39
Processing time for applications received and completed in 2017-18		
30 days or fewer	13	33
31-45 days	8	8
46-60 days	9	9
61-90 days	6	2
91+ days	12	0

Portfolio: Housing & Suburban Development

ISSUE: SERVICE AGREEMENT BETWEEN EPSDD AND THE SUBURBAN LAND AGENCY

Talking points:

- On 22 December 2017 the Directorate entered into a service agreement with the Suburban Land Agency (the Agency) to ensure appropriate governance over the provision of enabling corporate services.
- The former Land Development Agency was supported across a range of corporate functions by the Chief Minister, Treasury and Economic Development Directorate reflected in a memorandum of understanding between the two entities.
- The current service agreement is based on the principle of cost neutrality, reflecting the transfer of resources and accountabilities flowing from the 1 July 2017 machinery of government changes. They include provision for charging for out-of-pocket and for additional services not captured in the current agreements.
- The Directorate provides enabling corporate services across the following areas:
 - People and Capability
 - Governance
 - Information and Records Management (including Freedom of Information)
 - Legal support
 - ICT Business Systems
 - Government Services
 - Facility and Fleet Management.
- Financial services are not provided by EPSDD, as the Agency retained in-house financial expertise to support its operations.
- The service agreement includes robust dispute resolution and review procedures, including communication arrangements, to enable effective responses to operating issues and risks.

- Operationally the agreements are supported by a framework for the reporting of exceptions to the agreed standards of service delivery.
- A quarterly review of the service agreement was finalised in May 2018.
- Over the first quarter of 2018, all services provided under the agreement were delivered when requested. All issues and recorded exceptions to agreed performance measures have been resolved, are being addressed or have been flagged for consideration as part of a review process that will deliver a revised service agreement upon expiry of the current agreement.
- The inaugural service agreement is due to expire shortly and a process for review is underway. The operation and performance of the current agreement will inform the development of the new agreement.

Portfolios: Housing & Suburban Development

[ILRP Pages 5; BP2 Pages 41]

ISSUE: The new 2018-19 Housing Targets for Public, Community and Affordable Housing

Key Messages:

- In order to maintain an adequate supply of affordable housing options and improve the geographic spread and diversity of affordable housing, targets are now set annually for affordable, public and community housing sites to be released from within the Government's infill and Greenfield land release program.
- For 2018-19, a target of 552 dedicated public, community and affordable dwelling sites is proposed. This target is made up of:
 - 20 sites for Community Housing;
 - 60 sites for new/additional public housing; and
 - 472 sites for dedicated affordable home purchase to eligible low income households.
- The numbers of dwelling sites allocated for each target category and where they are located are determined by a cross-Government working group.
- Consideration is given to social and affordable housing need, land availability, amenity, proximity to schools, transport, employment centres, and public open space as well as existing concentrations of affordable and social housing in each suburb.
- The targets are spread throughout developments in the urban renewal precinct, other urban renewal areas and new suburbs.
- Under the Affordable Housing targets, the dedicated affordable dwellings will need to be sold to people who have registered on the ACT Government Affordable Home Purchase Database and have demonstrated their eligibility.
- The 2018-19 targets include a high proportion of compact blocks for individually titled terrace or townhouse type homes. Of the 552 sites, an estimated 250 of these allow for separate, individually titled homes suitable for small families.

Key Information

- Under section 65 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), relevant Ministers are required to set affordable, community and public housing targets for residential development in an urban renewal precinct, within an urban renewal area other than in an urban renewal precinct, and in new suburbs.
- Additional public housing sites are also delivered by Housing ACT to meet their ongoing operational requirements.
- Before these targets are determined (notified on the legislation register), Ministers must seek the views of the Commissioner for Housing.
- The targets for 2018-19 have been recommended by a cross-Government working group including inputs from EPSDD, CSD and CMTEDD, as well as the Government land delivery agencies. The community housing sites will be released via Expression of Interest to registered community housing providers to deliver affordable rental dwellings.
- Affordable housing targets are met through the release of sites with additional contractual requirements for their development. Purchasing developers are required to deliver the affordable dwellings at a ratio stipulated in the purchase agreement.
- EPSDD has responsibility for the ACT Government's current Affordable Housing Policy and is leading the work on the development of a new Housing Strategy.

Note: Anticipated residential land releases over the next four years is 17,000. Detail is included in the Four Year Indicative Land Release Program Brief. Information about sales of sites with Housing Targets is included in the Affordable Housing Sales Brief.

2017-18 Housing Targets

- For 2017-18, the targets were:
 - 353 affordable home purchase dwellings;
 - 34 community housing dwellings; and
 - 143 public housing dwellings (54 new/additional and 89 from the Public Housing Renewal Program).
- 147 affordable home purchase dwellings are included in the land released for development from this target as at 6 June 2018. As reported on page 41 of Budget Paper 2, the SLA is on track to release 288 affordable dwellings, 113 public housing dwellings and 20 community housing dwellings from the 2017-18 target before the end of 2017-18 financial year. The remaining affordable, community and public housing dwellings from the 2017-18 target will be rolled over for delivery in 2018-19. Once a target is placed on a site, it remains in place until the development is released and the dwellings constructed.
- In 2017-18, there were no targets placed on the sites within the urban renewal precinct. However, as part of the Government's extensive public housing renewal program which will replace 1,288 dwellings by 30 June 2019, the Public Housing Renewal Taskforce has secured approximately 202 dwellings in suburbs adjacent to Northbourne Avenue.

- As mentioned above, the targets for 2017-18 have taken into consideration social and affordable housing need, as well as existing concentrations of affordable and social housing in each suburb. It is important that suburbs which already have new public, affordable and community housing delivered in the last few years, are not oversubscribed with these forms of housing.

Background Information – may not be suitable for public disclosure

- The affordable housing target includes two sites from the Asset Recycling Initiative Program in Lyons and in Lyneham. These sites create affordable home purchase opportunities for low income families on the light rail corridor, and close to the Woden Town Centre.
- In calculating the 2018-19 target, the reference group considered the existing proportions of public, community and affordable purchase homes either built or planned in the relevant suburbs.
- Table 1 details the breakdown of Housing targets for 2018-19 according to the three responsible ministers.

Suburb	Block/Section or Location Description	Public Housing Sites	Community Housing Sites	Affordable Home Purchase Sites	Total Sites
Urban renewal precinct (Chief Minister)					
Lyneham	Block 12, Section 50				
Urban renewal other than in an urban renewal precinct (Minister for Urban Renewal)					
Gungahlin Town Centre	Block 3, Section 246				
Gungahlin Town Centre	Block 4, Section 246				
Belconnen Town Centre	Blocks 40,41, Section 54				
Lyons	Block 1, Section 53				
Scullin					
Giralang					
New suburbs (Minister for Housing and Suburban Development)					
Taylor	Taylor 2				
Coombs	Block 1, Section 11				
Coombs	Block 5, Section 2				
Wright	Blocks 1,2 and 3 Section 64				
Wright	Various Single Residential				
Whitlam	Stage 1				
Strathnairn	TBC				
Total Sites					

Portfolio: Planning & Land Management

[BP3 Page 78 & 112]

ISSUE: MORE SUPPORT FOR FAMILIES AND INCLUSION – INNOVATION IN HOUSING CHOICES

More support for families and inclusion – Innovation in housing choices

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	350	125	0	775

The Government will continue to engage with the community and industry stakeholders on the development of housing products that demonstrate how innovative planning, design and delivery can benefit Canberrans. The Government will also begin preparing sites for the delivery of demonstration housing projects.

Talking points:

- The government has committed to provide **\$775,000 over three years** to deliver Demonstration Housing Projects across the Territory that support a vibrant, compact and sustainable city, while also providing a wide range of housing options.
- The Demonstration Housing project is an important part of the Housing Choices policy engagement.
- This project will provide an opportunity for architects, builders, residents and social housing providers to showcase innovative design and delivery of real world examples that are not currently available in the ACT, including small houses, co-housing, carbon neutral buildings and affordable housing.
- The budget for this project has been identified for industry and community engagement, and preparing sites that will be sold to successful Stage 2 proponents.
- Specifically funding is allocated for:
 - A) \$150,000 - industry and community engagement to ensure that the projects that are delivered meet the community's expectations for a range of uses. This will also be used to ensure that the outcomes and learnings from the projects are made accessible to industry and the community to inform future housing projects and possible planning changes.
 - B) \$625,000 - site specific due diligence and design, which will enable sites to be identified and sold to successful Stage 2 proponents. This could include items such as surveying, and site specific planning studies that are required, the design of minor infrastructure upgrades, and legal and commercial advice. Any land that is made available for successful proponents will be sold to proponents at market value.

Staged process

- The first stage of the Demonstration Housing project has commenced, with community and industry stakeholders invited to submit Expressions of Interest.
- The first stage Expression of Interest will assess market interest, capability and experience of suitably qualified proponents. Proponents will have the chance to identify existing planning constraints that may need to be changed to enable the delivery of their proposal. Successful first stage applicants will then be invited to refine their proposals further and submit more detailed design concepts during a second stage.
- Demonstration Housing project will be able to inform the Housing Choices Collaboration Hub on potential examples throughout their expression of interest period, as one part of the diverse sources the Hub will consider. In this way, Demonstration Housing provides a clear example of the potential changes to the Territory Plan that the Housing Choices Collaboration Hub and the broader community and industry would like to see in Canberra, while at the same time, testing their viability.
- The Demonstration Housing project is a valuable and practical opportunity for the government to collaborate with community and industry to improve housing choices, housing affordability, environmental outcomes, community health, social values and economic prosperity in the ACT.
- The Housing Choices Collaboration Hub will play an important role in assisting with the development of the assessment criteria for submissions received in the second stage of the Demonstration Housing proposals.

Key Information

- The Demonstration Housing Expressions of Interest (EOI) Stage 1 closed on 31 May 2018. Successful Stage 1 proposals are expected to be announced mid-year. These proposals will be invited to proceed to Stage 2.
- The first two meetings of the Housing Choices Collaboration Hub were held on Saturday 5 May 2018 and Saturday 26 May 2018. A further three meetings will be held by the end of July 2018. The Collaboration Hub will then provide a final recommendations report to me (Minister Gentleman) to consider.
- The Stage 1 EOI was released on 10 April 2018 as part of a two stage assessment process. The first stage will assess the market interest, capability and experience of suitably qualified and experienced proponents to provide proposals for Demonstration Housing Projects which meet some or all of the project objectives specified by the Legislative Assembly. Proponents may include architects, designers, planners, developers, community and social housing providers, builders, community organisations and individuals.
- After assessing proposals received from the Stage 1 EOI, EPSDD will refine the requirements for the next stage of the process. The Stage 1 EOI did not require detailed plans to be prepared. A list of Territory owned sites which may be considered for sale to successful Proponents will be advised as part of the Stage 2 process. It is intended that Demonstration Housing Projects will be distributed across districts in the ACT.

Background Information – may not be suitable for public disclosure

- In June 2017, the ACT Legislative Assembly passed a resolution which called on the ACT Government to:

engage with the community and industry stakeholders on how best to deliver a housing demonstration project that promotes best practice environmental performance, including:

- i. Excellence in construction and design quality;*
 - ii. Carbon neutral buildings;*
 - iii. Medium density infill;*
 - iv. Innovative planning and engagement approaches;*
 - v. Innovative housing products and typologies;*
 - vi. Close partnership with industry bodies; and*
 - vii. Options for public and affordable housing.*
- A range of incentives for Demonstration Housing Projects will be considered by Government. Expressions of Interest must identify any particular assistance that would be required from Government in order to ensure project viability. This could include exemptions from specific Territory Plan controls, identification of appropriate sites, or assistance with industry expertise and project coordination.

Portfolio: Housing & Suburban Development

[BP3 Pages 78 & 112]

ISSUE: MORE SUPPORT FOR FAMILIES AND INCLUSION – INNOVATION TO BOOST AFFORDABLE HOUSING

More support for families and inclusion – Innovation to boost affordable housing

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	0	0	0	500
Offset – Expenses – Provision	-500	0	0	0	-500
Net Expenses	0	0	0	0	0

The Government will invest in projects aimed at increasing the supply of affordable rental properties available for families escaping domestic violence and specialist disability accommodation. The cost of this initiative will be met through the provision established for the Housing Innovation Fund in the 2017-18 Budget Review.

Talking points:

- The \$1 million Innovation Fund was announced at the Housing and Homelessness Summit on 17 October 2017.
- The first \$500,000 was committed in 2017-18 through year 1 projects, including the affordable real estate management model. This Budget initiative is consistent with the announcement by providing for the second year's funding to the value of \$500,000.
- The second year funding for the Innovation Fund will enhance existing Government policies and support the new ACT Housing Strategy and a growing supply of affordable housing options in the ACT.
- The Four programs being offered support through the second year funding are:
 - increasing the supply of specialist disability accommodation;
 - increasing the supply of affordable rental properties for families escaping domestic violence;
 - supported housing projects on underutilised land leased by the Community sector; and
 - other innovative projects that will increase the supply of affordable housing.

- An Expression of Interest process will be run by the Environment, Planning and Sustainable Development Directorate, seeking applications for assessment by a cross-Government Evaluation Panel, for approval by the Director-General.

Key Information

- The Affordable Housing Innovation Fund provides funding to support innovative projects that aim to increase the supply of affordable housing for low income households.
- These projects target support to the approximately 10,000 ACT households who are in housing stress in the private rental market, at risk of homelessness or looking to move on from public housing.
- Year 2 Innovation Fund funds may be allocated as:
 - start-up seed funding to grow an enterprise into a self-sustaining operation;
 - funding to bridge financial gaps that may assist in making a project financially viable; or
 - funding to run a project specific EOI process or seek specialist advice.

Background Information – may not be suitable for public disclosure

- The Housing and Homelessness Summit and the associated community consultations on the discussion paper 'Towards a new Housing Strategy: an ACT community conversation' have built the foundations for a new ACT Housing Strategy to be released later this year. This initiative will form one of the early actions of the new ACT Housing Strategy and show the Government is committed to addressing ACT housing concerns. The four project areas are:
 - Specialist Disability Accommodation Project
This initiative will seek expressions of interest from the private or community sector for projects that boost the supply of accessible low cost accommodation for either rent or purchase targeted at persons living with a disability.
 - Supported Housing Projects on Underutilised Community Facility Land
This initiative will seek expressions of interest from lessees of underutilised community facility land to access funding to facilitate projects that supply affordable supported accommodation.
 - Dedicated Accommodation for Low Income Families Escaping Domestic Violence
This initiative will seek expressions of interest from the private or community sector for projects that supply specialist housing for low income families escaping domestic violence.
 - Other Innovative Approaches to Boosting Affordable Housing Supply
In keeping with the wide ranging scope and intent of the Housing Innovation Fund, the fourth project will not be limited to any target cohort or delivery method but rather seek expressions of interest for projects or ideas that could potentially boost the supply of affordable housing.
- The first year's funding under the Housing Innovation Fund has supported three initiatives:
 - An Affordable Rental Real Estate Management Model which encourages private landlords to rent their properties through either a not-for-profit real estate agency or another social housing provider to eligible low income tenants at below market rent,
 - A Home Sharing Model which will match homeowners with spare rooms, and
 - A design led co-housing model.

Portfolio: Housing & Suburban Development

Budget Paper: E

Page No: 79-104

ISSUE: SUBURBAN LAND AGENCY 2018-19 BUDGET SUMMARY

Talking points:

- Major estate developments in 2018-19 include Taylor, Gungahlin Town Centre, Coombs, North Coombs, North Wright, Whitlam and Ginninderry. The Suburban Land Agency will also undertake works in Greenway, Hume West and the Kingston Foreshore.
- The forecast total land sales revenue for 2018-19 is \$700.6 million, which is \$255.2 million higher than the 2017-18 estimated outcome. The increase is largely driven by the sale of the remaining Asset Recycling Initiative (ARI) sites including the delay from 2017-18 of the Red Hill former public housing site.
- The forecast operating result (before income tax) for 2018-19 is \$328.2 million, which is \$48.3 million higher than the 2017-18 estimated outcome as a result of higher land sales in 2018-19.
- The forecast impact on the Headline Net Operating Balance (HNOB) from land agencies (including the City Renewal Authority) for 2018-19 is an increase of \$23.1 million from the 2017-18 Budget Review.

Key Information

Table 1: 2018-19 Budget compared to 2017-18 estimated outcome.

Operating Statement	2018-19 Budget	2017-18 Estimated Outcome	Variance
	\$'000	\$'000	\$'000
Land Revenue	700,646	445,461	255,185
Other Revenue	12,624	20,669	-8,045
Total Revenue	713,270	466,130	247,140
Operating Expenses	57,894	39,376	18,518
Cost of Goods Sold	202,345	63,803	138,542
Other expense	124,839	83,063	41,776
Total Expenses	385,078	186,242	198,836
Operating Result (before tax)	328,192	279,888	48,304

- Other revenues decrease in 2018-19 due to lower interest revenue on lower cash balances and reduced land assets transferred from other government agencies free of charge.
- Operating expenses are higher in 2018-19 due to an increase in the budgeted FTE, lower salaries being attributed to development projects (capitalised) and the effects of a 2017-18 one-off reduction in leave provisions as a result of staff transferring to other agencies from the former Land Development Agency.
- Cost of goods sold expense increases in 2018-19 as a result of higher settlements compared to 2017-18 and the proportionate consolidation of the West Belconnen joint venture.
- Other expenses increase in 2018-19 as the value of ARI sites that are transferred to the Suburban Land Agency is higher.

Background Information – may not be suitable for public disclosure

Table 2: ARI sites due to settle in 2018-19 are:

Block/Section	Building
Braddon	Northbourne Flats
Dickson 39/6	Tourist Information Centre
Griffith 0/39	Stuart Flats
Lyneham 12/50	Macarthur House
Lyneham 8/51	Lyneham & DeBurgh
Lyons 1/53	Strathgordon Court
Narrabundah 3/62	Gowrie Flats
Red Hill 1/25 1/26 49/31	Red Hill Flats
Turner 1/57	Northbourne Flats

Table 3: Land agencies 2018-19 Budget impact on the HNOB compared to 2017-18 Budget Review.

	2018-19 Budget	2019-20 Estimate	2020-21 Estimate
	\$'000	\$'000	\$'000
HNOB impact	23,138	5,730	-35,737

- The impact on the HNOB in 2018-19 is largely driven by increases in revenue due to revaluations in North Wright and Taylor.
- The impact on the HNOB in 2020-21 compared to the 2017-18 Budget Review is largely driven by a reduction in revenue for Jacka 2 and Mawson estates and the decrease in contributed assets (Public Trading Enterprise capital works). The revenue reduction in the Jacka 2 estate is the result of delayed settlements and an increase in the costs of delivering the estate. The Mawson estate was revalued with reduced revenues in 2020-21.

Portfolio: Housing & Suburban Development

Budget Paper: E

Page No: 88 and 95

ISSUE: RETURN TO GOVERNMENT

Talking points:

- The 2018-19 return to Government is forecast to be \$127.4 million higher than the 2017-18 estimated outcome as a result of higher land sales in 2018-19, which impacts on land payments to Government, income tax equivalents, dividends, stamp duty equivalents and interest equivalents. These are all returned to Government.
- The increase in the value of Asset Recycling Initiative (ARI) sites transferred to the Suburban Land Agency from other Government agencies also contributes to the increased total return to Government (capital distributions) in the 2018-19 Budget.

Key Information

- The lower operating result estimated in 2017-18 is the driver of the reduced return to Government compared to Budget in 2017-18. This is the result of delays in land settlements in the 2017-18 financial year. This has impacted on the level of dividend and income tax equivalents.
- The increase in capital distributions in the 2017-18 estimated outcome compared to the 2017-18 Budget relates to the higher amount (value) for ARI sites transferred to the Suburban Land Agency than budgeted.

Table 1: Comparison of the 2017-18 Budget, 2017-18 estimated outcome and 2018-19 Budget.

	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	2017-18 Estimated Outcome vs 2017-18 Budget	2018-19 Budget vs 2017-18 Estimated Outcome
	\$m	\$m	\$m	\$m	\$m
Land Payments to Government	15.6	18.6	47.2	3.0	28.6
Income Tax Equivalents	104.0	84.0	98.5	-20.0	14.5
Dividends	242.6	195.9	229.7	-46.7	33.8
Payroll Tax	0.8	0.7	0.8	-0.1	0.1
Stamp Duty and Interest	1.1	1.7	4.7	0.6	3.0
Capital Distribution	39.5	75.0	122.4	35.5	47.4
Total Return to Government	403.6	375.9	503.3	-27.7	127.4

Background Information – may not be suitable for public disclosure

- Items that are included in the Suburban Land Agency’s return to Government:
 - Land payments to Government – payment on settlement to the Environment, Planning and Sustainable Development Directorate for the purchase of unleased Territory land by the Suburban Land Agency;
 - Income tax equivalents – paid to the ACT Revenue Office rather than income tax to the ATO under the National Tax Equivalent Regime;
 - Dividends – operating result after tax which is returned to Government;
 - Payroll tax – paid to Government as a percentage of the actual salary expense of the Agency;
 - Stamp Duty and Interest equivalents – paid on settlement as a percentage of land payments to Government; and
 - Capital distributions – as part of the ARI program, on settlement of an ARI site, the value of the land that was originally transferred to the Suburban Land Agency (book value) is then transferred to the Territory Bank Account as a capital distribution.

Portfolio: Housing & Suburban Development

Budget Paper: E

Page No: 95

**ISSUE: SUBURBAN LAND AGENCY TRAVEL, SALES AND MARKETING,
AND CONSULTANTS**

Talking points:

- The Suburban Land Agency incurs travel, sales and marketing, and consultants expenses as part of its business activities to deliver the Government's Indicative Land Release Program and meet financial targets.

Key Information

- Travel expenses includes Board members travelling for board and committee meetings, staff travelling to conferences and training courses, and lease of vehicles for business usage.
- The 2017-18 estimated outcome for consultant expenses mainly relates to temporary contractors engaged by the Agency during the year. The reduction compared to 2017-18 Budget is related to pre-development costs which are now funded by the Environment, Planning and Sustainable Development Directorate.
- The 2018-19 Budget includes sales and marketing expenses of \$11.9 million. These expenses include sales commissions, legal conveyancing, marketing and promotional activities for its land releases and undertaking the Mingle community engagement program. The increase from the 2017-18 estimated outcome is due to increased land sales in 2018-19.
- The 2018-19 Budget consultants expenses of \$7.3 million are mainly related to land development activities, and include a range of consultancies for functions such as early design and estate planning. The increase from the 2017-18 estimated outcome to 2018-19 Budget is due to land development activities for future releases.

Table 1: Comparison of the 2017-18 Budget, 2017-18 estimated outcome and 2018-19 Budget for travel, sales and marketing, and consultant expenses.

	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	2017-18 Est Out vs 2017-18 Budget	2018-19 Budget vs 2017-18 Estimated Outcome
	\$000	\$000	\$000	\$000	\$000
Travel	58	164	225	106	61
Sales and Marketing	13,582	7,261	11,946	-6,321	4,685
Consultants	8,806	2,231	7,333	-6,575	5,102

Portfolio: Housing & Suburban Development

Budget Paper: N/A

Page No: N/A

ISSUE: GST ALTERNATIVE DISPUTE RESOLUTION

Talking points:

- The former Land Development Agency (LDA) sought to contest what constitutes an improvement on varying land sales with the Australian Taxation Office (ATO) through an Alternative Dispute Resolution (ADR).
- Should the land be treated as unimproved for GST purposes, the GST liability attributable to the former LDA would be reduced.
- The ADR first arose in the 2015-16 financial year with a determination reached (in part) within the 2016-17 financial year.
- The total value of monies in dispute was \$8.5 million. Only one question in the ADR was decided upon with the outcome in favour of the ATO, resulting in the former LDA paying the ATO \$0.7 million.

Key Information

- The ADR was to address three questions set out in the agreed Statement of Facts signed by both parties to the dispute. Only one of the three questions was reviewed (resulting in the \$0.7 million payable to the ATO) due to the two parties failing to agree on the wording.
- The Suburban Land Agency (the Agency) received external advice to discontinue the ADR process and address the remaining questions through a Private Binding Ruling (PBR).
- The Agency is currently in an active procurement process to engage an external consultant to assist in the resolution of the ADR process in a timely and equitable manner.
- The ATO has agreed to the Agency providing a timeline to resolution of the ADR process by 30 June 2018 after suitable advice has been sought as to how best to resolve the process.

Background Information – may not be suitable for public disclosure

- The ADR process took place on 26 April 2017 in Melbourne. The LDA was represented by [REDACTED], with LDA staff and advisers attending. The LDA and the Commissioner had agreed to put three questions to a neutral evaluator, the [REDACTED] (former High Court Judge). The questions were set out in the agreed Statement of Facts signed by both parties to the dispute and are listed below:
 1. Whether certain sub-divided blocks were considered ‘improved’ if they contained parts of a:
 - a. Dam;
 - b. Fence;
 - c. Boundary fence;
 - d. Dirt road;
 - e. Sealed road;
 - f. Dam contour bank; or
 - g. Contour bank (with scraping).
 2. Whether certain englobo sales of sub-divided blocks by the LDA involved multiple supplies of long term consequential leases, notwithstanding the supplies occurring under a single contract for sale?
 3. Whether sub-divided blocks are assessed as unimproved at the commencement of the Holding Lease? and
 4. Would the Commissioner exercise their discretion to provide a refund of GST for amounts overpaid if the LDA’s view on question 2 and 3 were correct?
- Only one of the three questions was reviewed by [REDACTED] due to the two parties failing to agree on the wording of the remaining questions. On 24 May 2017, [REDACTED] found in favour of the Commissioner with respect to Question One resulting in the LDA repaying monies to the Australian Taxation Office (ATO).
- As part of a Machinery of Government Change, the LDA’s assets and liabilities vested with the Agency at midnight on 30 June 2017. As such, the Agency has now assumed responsibility of the matter and is actively seeking to resolve the ADR.
- The Agency met with representatives of the Commissioner on 23 April 2018 with the ATO imposing arbitrary deadlines on the Agency to resolve the outstanding questions. The Agency is motivated to resolve the ADR process in a timely manner, and as such, is currently in an active procurement process to engage an external consultant to assist in the resolution of the ADR process in a timely and advantageous manner to the Agency.

Portfolio: Housing & Suburban Development

Budget Paper: E**Page No: 88****ISSUE: SUBURBAN LAND AGENCY FINANCIAL KEY PERFORMANCE INDICATORS****Talking points:**

- The Suburban Land Agency is forecast to achieve \$701 million in land sales revenue in the 2018-19 financial year, which is \$256 million higher than the 2017-18 estimated outcome. The increase is driven by the sale of the remaining Asset Recycling Initiative (ARI) sites, including the delay in the settlement of the former Red Hill public housing site from 2017-18 and the inclusion of West Belconnen joint operation land sales.
- The 2018-19 financial year gross profit margin on land sales is forecast to be 70.8%. The profit margins of the Suburban Land Agency are used for internal purposes to provide comparatives across projects and time periods. These margins are not comparable with private industry as the Government, through its other agencies, also funds significant costs (via the annual Budget process) for planning and infrastructure works which are not included in the calculation of the Suburban Land Agency's profit margins.
- The gross profit margins in the 2017-18 estimated outcome (85.5%) and 2018-19 Budget (70.8%) are also significantly affected (increased) by the accounting treatment for ARI land.
- The gross profit margin in the 2017-18 estimated outcome is also the result of an adjustment which reduced the cost of goods sold expense related to prior years.
- If adjusted for the impact of ARI land transfer and prior years cost of goods sold reduction, the gross profit margin in 2017-18 and 2018-19 would be 61.5% and 46.2% and net profit margin 35.2% and 25.5% respectively.

Key Information

- The Suburban Land Agency measures its profitability and financial stability using the financial key performance indicators (financial KPIs) in the table below.

Table 1: Comparison of the 2017-18 Budget, 2017-18 estimated outcome and 2018-19 Budget financial KPIs for the Agency.

	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	2017-18 Estimated Outcome vs 2017-18 Budget
Land Sales Revenue (million)	\$576	\$445	\$701	-\$131
Profit before Tax (million)	\$347	\$280	\$328	-\$67
Profit after Tax (Dividend) (million)	\$243	\$196	\$230	-\$47
Total Return to Government (million)	\$404	\$376	\$503	-\$28
Return on Assets	57.6%	53.6%	64.7%	-4.0%
Gross Profit Margin on Land Sales	72.7%	85.5%	70.8%	12.8%
Net Profit Margin	41.0%	42.0%	32.2%	1.0%
Inventory Turnover	52.7%	25.1%	66.0%	-27.6%
Net Cash Inflows from Operating Activities (million)	\$255	\$207	\$279	-\$48

Background Information – may not be suitable for public disclosure

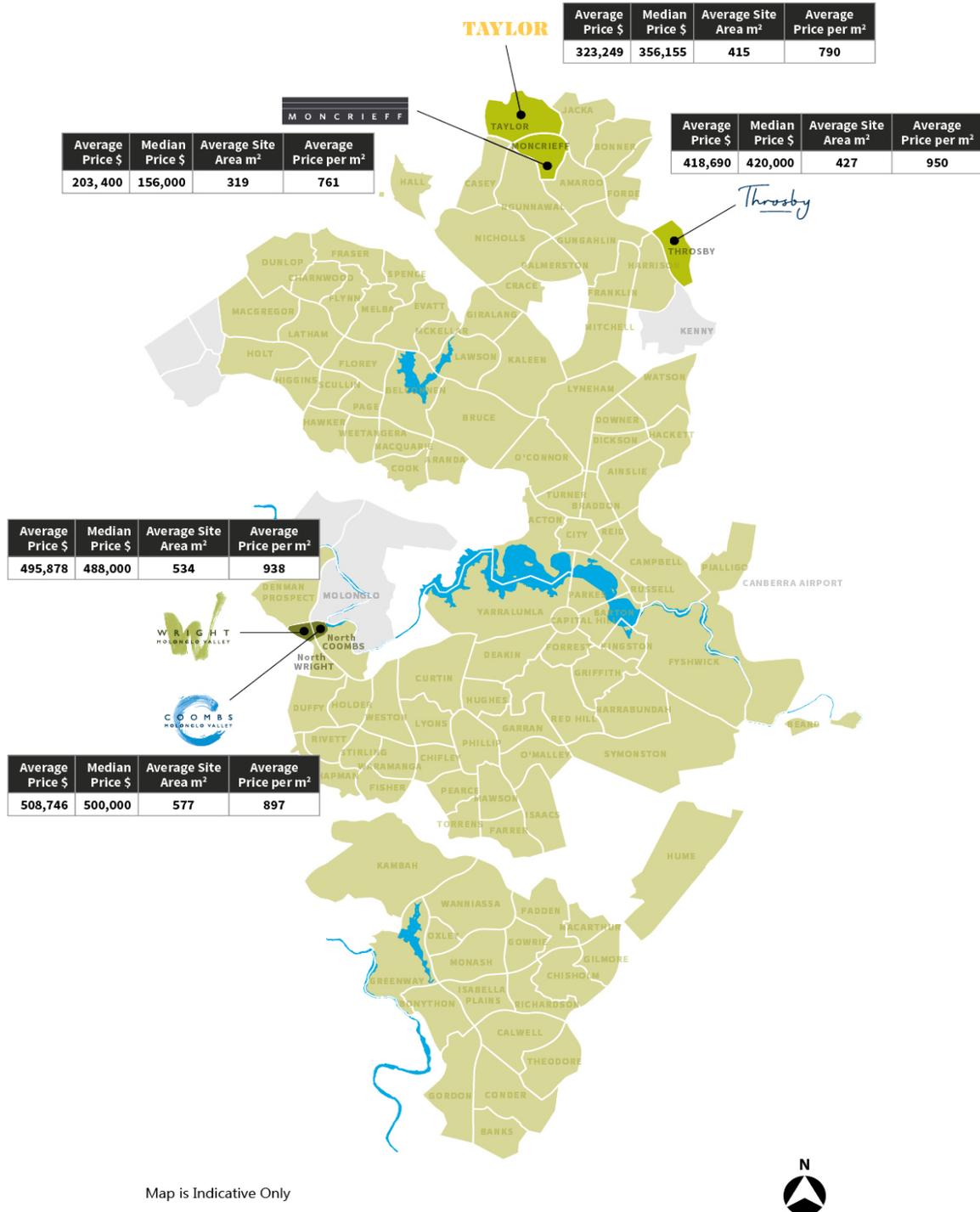
- The profit margins in the 2017-18 estimated outcome (85.5%) and the 2018-19 Budget (70.8%) are affected by the accounting treatment for ARI land. The cost of ARI land is expensed to Other Expenses, rather than to Cost of Goods Sold and therefore is not included in calculation of the gross profit margin.
- Financial KPI (financial measures) calculations:
 - Return on Assets = (operating result before tax + borrowing costs) / average total assets for period.
 - Gross Profit Margin = (lease sales - cost of goods sold including duty) / lease sales.
 - Net Profit Margin = operating result/ total revenue.
 - Total Return to Government = operating result before tax + payments for land acquisitions + payroll tax + stamp duty equivalents + land holding costs equivalents + capital distribution.
 - Inventory Turnover = cost of goods sold / average inventory.

Portfolio: Housing & Suburban Development

Budget Paper: E**Page No: 82****ISSUE: SUBURBAN LAND AGENCY ESTATES – AVERAGE AND MEDIAN PRICES****Talking points:**

- **Throsby's** average and median prices increased marginally from 2017-18 to 2018-19 as less compact blocks are scheduled to settle in 2018-19. The average rate per square metre remains stable at approximately \$950.
- **Taylor's** average and median prices increased slightly from 2017-18 to 2018-19 driven by strong market demand.
- The average and median prices in **North Wright** and **North Coombs** in 2018-19 reflect the public ballot prices for the first release in May 2018. The ballot prices were determined by valuations received by two independent certified valuers.
- The average and median prices for single residential blocks in the Suburban Land Agency estates depend significantly on the types of blocks released in that period. Some blocks are in greater demand than others as a result of their location and hence will achieve a higher value. Generally, smaller blocks will be cheaper than larger blocks.
- Throsby's average and median prices are higher than Taylor as Throsby is located in a premium location.
- North Coombs, North Wright and Throsby are all in premium locations. However, the prices of North Coombs and North Wright are generally higher than Throsby as the average size per block in North Coombs and North Wright are larger.
- The average and median prices of **Moncrieff** in 2017-18 are lower than 2015-16 and 2016-17 as more compact blocks are scheduled to be settled in the year.

Key Information



*Note: The average site area for each estate is calculated based on the sizes of blocks settled and scheduled to be settled in 2017-18 and 2018-19.

Table 1: Average prices for single residential blocks for 2018-19 compared to the previous five years.

Average Price							
Region	Estate	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gungahlin	Moncrieff			240,132	237,785	203,400	
Gungahlin	Throsby				398,226	389,547	418,690
Gungahlin	Taylor					311,381	323,249
Belconnen	Lawson		455,155	386,872			
Molonglo	Coombs	364,720	364,204	486,800			
Molonglo	Wright	385,516					
Molonglo	North Coombs						508,746
Molonglo	North Wright						495,878

Table 2: Median prices for single residential blocks for 2018-19 compared to the previous five years.

Median Price							
Region	Estate	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gungahlin	Moncrieff			241,000	238,000	156,500	
Gungahlin	Throsby				405,000	391,600	420,000
Gungahlin	Taylor					344,500	356,155
Belconnen	Lawson		468,000	420,000			
Molonglo	Coombs	365,000	365,000	484,000			
Molonglo	Wright	380,000					
Molonglo	North Coombs						500,000
Molonglo	North Wright						488,000

Background Information – may not be suitable for public disclosure

- The above analysis does not include public housing blocks.
- 61 affordable blocks in Taylor are included in 2018-19 settlements.
- Unsold blocks have been forecast based on valuations received by an independent certified valuer in February 2018.
- Reserve sale prices (including ballots) are determined by reference to at least two current market valuations procured from two independent certified practicing valuers. A third valuation or a third-party peer review of the valuations may be sought to assist in determining reserve prices where the variance between the two valuations is greater than ten percent. Reserve sale prices are approved by the Suburban Land Agency's Chief Executive Officer based on the valuations received.

Portfolio: Housing & Suburban Development

Budget Paper: E

Page No: 87

ISSUE: SUBURBAN LAND AGENCY STAFFING NUMBERS

Talking points:

- The Suburban Land Agency’s 2018-19 Budget includes 92 FTE, which is 15 higher than the 2017-18 Budget of 77 FTE. This is attributable to the settling of final functional changes during the transition from the former Land Development Agency (LDA), some of which were settled after the 2017-18 Budget papers were published (six additional FTE), as well as more recent structural changes to meet operational requirements (nine additional FTE).
- The Suburban Land Agency implemented revised FTE establishment budget allocations during the 2017-18 financial year. The 2017-18 estimated outcome against the revised allocation is 85 FTE due to vacancies.
- At the end of March 2018, there were 77 FTE employed, made up of 40 females and 37 males. Of the 77 FTE, 15 were new staff employed by the Suburban Land Agency and 62 were existing staff who transferred from the now discontinued LDA.

Key Information

Table 1: Summary of staffing levels in the 2017-18 Budget, 2017-18 estimated outcome and 2018-19 Budget.

	2018-19 Budget	2017-18 Estimated Outcome	2017-18 Budget
Staffing (FTE)	92	85	77

- The settling of the final functional changes during the transition from the LDA resulted in a net increase of six FTE. The 2017-18 Budget statements were developed at a point in time of the assumed transfer of functions from the former LDA to the Environment, Planning and Sustainable Development Directorate (EPSDD), the Suburban Land Agency and the City Renewal Authority. The final functional changes reflected extensive staff consultation processes and strategic and operational requirements across the three entities.

- The final functional changes of an increase in six FTE compared to the 2017-18 Budget are:
 - the finance, business improvement and estate management functions transferring to the Suburban Land Agency (rather than EPSDD); and
 - the urban renewal functions transferring to the Directorate.
- Structural changes made during 2017-18 to meet operational requirements and which reflect the priorities of the Board to meet Statement of Intent and Government's Statement of Expectations, have resulted in:
 - Deputy Chief Executive Officer – this position was not envisaged in the development of the 2017-18 Budget;
 - an increase of two FTE for the provision of financial services to the City Renewal Authority. This service is provided on a cost recovery basis under a Service Level Agreement;
 - Taxation Manager – This position has been funded from consultant budget to build internal capabilities and reduce the reliance on external taxation consultants;
 - Office Manager – With the corporate staff being transferred to EPSDD, there was a gap identified in office management for tasks such as accommodation, office supplies and services coordination and office functions. The Office Manager has been recruited to cover this gap;
 - Risk Manager – this position reflects the Board and management's strong focus and commitment to risk management;
 - WHS Manager – this position reflects the Board and management's strong focus and commitment to Work, Health and Safety;
 - Sales and Marketing – the sales and marketing team have undertaken a review of the requirement for the Agency and outlined the revised FTE structure which includes an additional FTE; and
 - Valuations and Estate Management – Two positions have been identified as a requirement to manage the Agency's rural land, licences (access and grazing etc.), tenants agreements and administration and management of existing properties. In the LDA, these tasks were undertaken by the due diligence team which transferred to the EPSDD. Additionally, the increased demand on valuation services required the creation of a new position.
- The Agency is forecast to have 85 FTE at the end of the 2017-18 financial year due to vacancies that will be unable to be filled until the 2018-19 financial year.

Table 2: 2018-19 Budget FTE changes from the 2017-18 Budget FTE.

2017-18 Budget FTE	77
Urban Renewal Positions Transferred to EPSDD	-13
Positions Transferred from EPSDD (Finance, Business Improvement Estate Management)	19
Abolished Positions	-2
<i>Other FTE increases</i>	
Deputy Chief Executive Officer	1
City Renewal Authority Financial Management	2
Taxation Manager	1
Office Manager	1
Risk Manager	1
WHS Manager	1
Sales and Marketing	1
Valuations and Estate Management	3
2018-19 Budget FTE	92

Portfolio: Housing & Suburban Development

Budget Paper: N/A

Page No: N/A

ISSUE: SALES EVENTS – REGISTRATIONS AND SALES

Talking points:

- The Suburban Land Agency undertakes the sale of residential, mixed use, commercial, industrial, and community land identified in the ACT Government’s Indicative Land Release Programs (ILRP).
- The ILRP is indicative and subject to change through market conditions and Government priorities.
- The market demand and complexity of sales conditions and terms determines the Agency’s method of sale which includes auction, tender, ballot and over the counter sale
- Land has been released in 2017-18 in the greenfields suburbs of Coombs, Gungahlin Town Centre, Moncrieff, Strathnairn, Taylor, Throsby and Wright; urban renewal sites in Belconnen, Greenway, Lawson and Macgregor; and Asset Recycling Initiative sites in Braddon, Red Hill, Reid and Turner.
- Over 100 blocks across three estates are currently available for sale Over the Counter, including both blocks that can be built on immediately and blocks that will settle in 2018-19.

Key Information

- In November 2017, a public ballot for 142 single residential blocks in **Taylor** saw 2,449 eligible registrations received. Six blocks remained unsold at the conclusion of block selection appointments and the appointed sales agents contacted all eligible registrants to offer an opportunity to purchase. One block remains unsold as at 4 June 2018.
- In May 2018, a public ballot for 71 single residential blocks in **Coombs** and 123 single residential blocks in **Wright** saw 2,044 eligible registrations received. 98 blocks remained unsold at the conclusion of block selection appointments and all eligible registrants were offered an opportunity to purchase. The remaining blocks are available for purchase over the counter. 86 blocks remains unsold as at 4 June 2018.
- In May 2018, a public auction was held for 12 premium single residential blocks in **Taylor** with 45 registrations received. Eight sold on the day, with the remainder sold post auction Over the Counter.

- In May 2018, an additional 31 Single Residential blocks in **Throsby** were released for sale Over the Counter with six selling on the day of release. Over the Counter sales have seen 47 blocks sold between 1 July 2017 and 4 June 2018 in the estate of Throsby. As at 4 June 2017, 48 blocks are available over the counter in Throsby. These blocks are ready to build on and are being actively marketed.
- Two sites that form part of the Asset Recycling Initiative program have been offered to market in 2017-18 prior to 4 June 2018. Block 1 Section 7 **Reid** (former Bega Flats) was sold at auction in August 2017 and tenders were invited for the **Red Hill** Precinct in November 2018 closing in March 2018.
- In addition to the above, between 1 July 2017 and 4 June 2018, five auctions and one tender for a total of 18 commercial, industrial, community and residential lots were held. This included sites in Coombs, Greenway, Macgregor, Red Hill, Reid and Taylor.
- In June 2018, the release of an Expression of Interest process for Lawson 2 Englobo yielding up to 960 dwellings and the release of a tender for Block 4 Section 60 Braddon and Block 1 Section 68 Turner (former Northbourne Flats) yielding up to 886 dwellings are scheduled.

Background Information – may not be suitable for public disclosure

N/A

Portfolio: Housing & Suburban Development

Budget Paper: N/A

Page No: N/A

ISSUE: AFFORDABLE HOUSING SALES

Talking points:

- Targets for Affordable, Public and Community housing are set annually under the *City Renewal Authority and Suburban Land Agency Act 2017*.
- For 2017-18 these targets were 353 Affordable, 143 Public Housing and 34 Community Housing Dwellings – total of 530 dwellings.
- Sites for 288 Affordable, 113 Public Housing and 20 Community Housing Dwellings will be released prior to June 2017 – total of 421 dwellings.
- The remaining sites are to be delivered in 2018-19. They consist of 65 Affordable and 14 Community Housing Dwellings in Strathnairn – delayed due to planning approvals and 30 Public Housing dwellings in Greenway delayed as a result of the Community Services Directorate amending their future delivery methodology – total of 109 dwellings.

Key Information

- The table below details the targets and delivered sites for 2017-18 as per the Notifiable Instrument.

Suburb	Target Affordable Dwellings	2017-18 Affordable Dwellings released	Target Public Housing (PH) Dwellings	2017-18 PH Dwellings released	Target Community Housing (CH) Dwellings	2017-18 CH Dwellings released
Taylor	99	99				
North Wright	32	32				
North Coombs	37	37				
Gungahlin TC			64	64		
Lawson	80	80	24	24	20	20
Greenway S28	25	25	25	25		
Greenway East	15	15	30	0		
Strathnairn	65	0	30	0	14	0
Total	353	288	143	113	34	20

- The following sites from the 2017-18 targets will be delivered in 2018-19.

Suburb	Target Affordable Dwellings	Target Public Housing Dwellings	Target Community Housing Dwellings
Strathnairn	65		14
Greenway East		30	

- All sites containing Affordable housing in 2017-18 have been Multi Unit sites which have been sold with a Project Delivery Agreement forming part of the Contract for Sale that requires the developer to identify a minimum number of affordable housing dwellings for sale to Identified buyers.
- Buyers will be identified by the Environment, Planning and Sustainable Development Directorate who have established a Home Purchase Registration Database to enable dedicated affordable housing to be better controlled, with sales of these homes available only to approved registered households. Over 300 people have registered on the database to date.
- The sites identified for 2018-19 consist of a mix of Multi Unit, and separately titled Terrace and Single Residential product.

Background Information – may not be suitable for public disclosure

- The release methodology for the separately titled product to be sold in 2018-19 is yet to be determined.
- The Suburban Land Agency has not yet been contacted by any of the developers who have purchased under the new arrangements to advise they have completed their design and have information available for Identified buyers.

Portfolio: Housing & Suburban Development

Budget Paper: N/A**Page No: N/A****ISSUE: MINGLE PROGRAM****Talking points:**

- The Suburban Land Agency recognises the importance of complementing its master planning, land development and sales activities with a focus on the social and community aspects of establishing and developing new and sustainable communities.
- The community development program, Mingle, is designed to build vibrant and sustainable local communities within new ACT Government Greenfield estates. The program aims to achieve a number of social objectives based around encouraging new residents to feel part of the community and become involved in community life and activities. Mingle assists residents to create networks, groups and programs that will ultimately become self-sustaining.
- In 2017-18 the Suburban Land Agency set out to:
 - Deliver high quality, sustainable developments, including public spaces and community development; and
 - Deliver community development programs to encourage resident involvement and connection to their local community.
- The Mingle Program was active in the greenfield suburbs of Wright, Coombs, Throsby and Moncrieff.
- Mingle costs are funded from the project budget for each suburb as it is developed. These costs are allocated over three to five years depending on the size and timing of the development.

Key Information

- In 2017-18 the total number of activities held (as at 8 June 2018) are as follows:

Community	Stage of program	Number of Mingle activities	Number of attendees over all activities	Number of newsletters	Total spend to date including GST as at 14 June 2018
Wright/Coombs	Year 4	54	2,100	5	\$142,000
Moncrieff	Year 1	15	1,100	3	\$66,000
Throsby	Year 1	3	140	1	\$5,000

- In addition to delivery of the Mingle program in these suburbs, discussion has commenced with the Canberra Institute of Technology (CIT) for them to assist in the delivery of the Lawson program as part of student learning.
- Stakeholder engagement in 2017-18 has involved Charles Weston School, local residents, Parks and Conservation, CIT, Communities@Work, Northside Community Services, ACT Housing, Molonglo Catchment Group, Crimestoppers, Neighbourhood Watch, ACT Playgroups, YMCA, local aboriginal communities, TCCS, Health, CSD, Conservation Council, Woodlands and Wetlands Trust.

Background Information – may not be suitable for public disclosure

- The key objectives of Mingle are to:
 - provide **opportunities** that encourage new residents to feel a part of the community, become involved in community life and participate in community building events;
 - provide and promote opportunities for **social interaction** and the development of social networks within the community;
 - support the **establishment and growth of community initiatives**, interest groups and community organisations;
 - promote identity and **sense of place** through community and cultural development activities and strategies;
 - promote a **range of activities and programs** that meet the social, leisure, educational and recreational needs of residents; and
 - develop strategies which assist the new **community to integrate** with the surrounding existing communities.

The costs for Mingle events and activities are minimised due to the following:

- The Suburban Land Agency only has one Mingle team who manage all activities. This allows resource sharing and minimises costs compared to other developments who normally have a dedicated community worker. There are four resources who work on the Mingle program (but not all full time).
- Volunteer programs reducing staffing resources.

- Team building activities driven by residents which reduce the larger scale events.
- Residents seek donations and funding for community activities such as BBQs, cakes.
- Small scale event delivery - Mingle is not designed to cater for regular large scale events. It has a much more targeted approach to ensure the program caters for a diverse group of residents and enables a more personalised approach, which reduces event logistics expenses.
- Mingle marketing and promotional items are consistent across all communities allowing bulk purchases and less wastage.
- Newsletter delivery by volunteer residents (normally \$600 per quarter per suburb if outsourced).
- Marketing signage and event materials are reused for seasonal events where possible.
- Social media is the main communication tool for fast communication messages which remains very cost effective.

Portfolio/s Housing & Suburban Development

Budget Paper: N/A

Page No: N/A

Issue: GOLD CREEK HOMESTEAD

Talking points:

- The Suburban Land Agency is firmly committed to finding the right balance between social and financial gain when developing land in the ACT.
- The future of the Ngunnawal site will strike a balance which considers both social and economic benefit for Canberrans.
- Along with achieving the ACT Government's land sales targets, social and community development are amongst the Suburban Land Agency's primary objectives.
- That is why we have removed this tender from the market, to allow us more time to consider the strong community sentiment we have encountered regarding this block over the last two months.
- The Suburban Land Agency is committed to engaging our stakeholders, industry and the community to establish the best outcome for Ngunnawal site.
- Above all, a solution which provides Canberrans with an optimal social and financial outcome is the priority of the Suburban Land Agency.
- Further updates on the site will be made publicly available as they occur.

Key Information

- Block 109 of Section 23 Ngunnawal is 4.775ha, zoned CF Community Facility and is situated off Gungahlin Drive with permitted uses including 160 residential care beds and up to 30 supportive dwellings in a retirement village. Tenders originally opened in late March 2018 and were due to close 7 June 2018. The site was officially withdrawn from the market on 1 June 2018.
- The tender was removed to provide more time to work towards a better balance of social and financial benefits for the ACT community. The future use of the block will be reconsidered by Government over coming months.
- The Heritage Council's decision that the Homestead, while having some heritage values, did not warrant inclusion in the Register was made in September 1999. A second application in 2006 made claims under two of the ACT Heritage Register

criteria, criterion d) social value and criterion h) strong or special historical associations. Again these were rejected by the ACT Heritage Council.

- The Suburban Land Agency is supportive of interested parties, including the National Trust, applying the Gold Creek Homestead's heritage value against criterion *g) has a strong or special association with the ACT community or a cultural group within the ACT for social, cultural or spiritual reasons.*

Background Information – (not for publication)

- The site was the subject of a direct sale application by the property neighbours, Lend Lease with the proposal to expand their retirement village. This offer was deemed inappropriate and declined. The block was then taken to the open market.
- As part of the tender process, the Agency required all submissions to include details of the proponents' future plans for the Gold Creek Homestead. However, during the tender process, a number of parties contacted the Minister for Housing and Suburban Development, Yvette Berry, Minister for Planning, Mick Gentleman, the Agency and EPSDD with concerns regarding the future of the Homestead.
- Following correspondence from the National Trust dated 23 April 2018, it became apparent the Gold Creek Homestead's heritage value had potentially not been assessed against all criteria which might help it achieve registration. The National Trust are encouraged to investigate the new criteria on the Homestead's behalf.
- On 18 May 2018, the Agency received a letter from a prospective tenderer, indicating their interest in the subject site; however, raising a number of concerns in the lease wording and requirements that will prevent them from tendering to purchase the site. Following internal due diligence, it became apparent the existing approach to market for the tender may not appropriately optimise the Agency's financial and social objectives.
- All issues were considered separately, with consultation from the Minister for Housing and Suburban Development, Yvette Berry and the Director General, EPSDD Ben Ponton. In the interest of reaching a balance between social and financial value in the sale and development of land in the ACT, by the Agency, it was decided to remove the tender from the market to allow these factors to be given greater consideration.
- No tenders were received for the block prior to it being withdrawn from the market. However, Lend Lease did come forward as a prospective tenderer, albeit with some technical issues they raised concerns over.

Portfolio: Housing & Suburban Development

Budget Paper: 3**Page No: 217-218****ISSUE: MOLONGLO DEVELOPMENT UPDATE****Talking points:**

- The Molonglo Valley is a major development in the ACT with an expected district population when completed of around 45,000 residents in approximately 20,000 dwellings.
- The population in the suburbs of Wright and Coombs is estimated to be over 4,600 residents based on the 2016 Census. This figure is expected to grow to around 24,000 over the next ten years with the release and completion of the developments of Wright, Coombs, Whitlam and suburbs in the Molonglo Valley Stage 3 area.
- The Suburban Land Agency has progressed development in Molonglo Valley in accordance with the Government's Indicative Land Release Program (ILRP). The ILRP forecast for 2017-18 was 190 dwellings in Coombs and 365 in Wright. These targets were achieved, with the release of 216 dwellings in Coombs and 365 dwellings in Wright.
- Recent releases within Wright and Coombs include:
 - On 11 April 2018, four multi-unit sites were auctioned in Wright and Coombs, which included 56 affordable dwellings. These sites are scheduled to settle in 2018-19
 - On 19 May 2018, 194 single residential blocks were released through public ballot in Wright and Coombs. 96 contracts were exchanged at the ballot appointments, with the balance of the blocks currently being offered over the counter.

Key Information

- The 2018-19 Budget provides funding of \$47 million over the next three years to construct a new primary school (P-6) in Molonglo and to plan for a future 7-10 campus. The primary school will begin taking students in the 2021 school year.
- The ILRP for 2018-19 to 2021-22 identified the release of:
 - 3,920 residential dwellings;
 - 31,900 m² of mixed-use site area;
 - 25,000 m² of commercial site area; and

- 123,200m² of community site area.
- Molonglo Valley is divided into three stages:
 - Molonglo Stage 1 (suburbs of Wright and Coombs);
 - Molonglo Stage 2 (suburb of Denman Prospect and Molonglo Commercial Centre); and
 - Molonglo Stage 3 (suburbs of Whitlam and the remaining land north of the Molonglo River).

Background Information – may not be suitable for public disclosure

Molonglo 1

- The estates of Wright and Coombs were the first suburbs developed in the Molonglo Valley and are largely complete, with the exception of North Wright and North Coombs, which are currently under construction.
- Both North Wright and North Coombs developments offer a range of housing choices, such as small, medium and large land parcels, that cater for the growing demand for homebuyers who want to build their own home.
- The total dwelling yield of North Wright is 425 (about 50% single residential), and North Coombs is 427 (with 71 single residential). Civil works are well underway, with the initial releases of four multi-units sites undertaken on 11 April 2018 and 194 single residential on 19 May 2018.
- Future releases include multi-unit sites incorporating affordable housing, single residential sites and community sites in line with the ILRP.
- The Suburban Land Agency's Mingle program is active in Coombs and Wright and delivers a number of activities and events that support community building. A community information night was held at Charles Weston School on 24 May 2018 updating the community on Government activities.

Molonglo 2

- Denman Prospect Stage 1 and 2 were sold to Capital Estate Development Pty Ltd (CED). Stage 1 was sold in 2015-16 for \$241.3 million for approximately 1,000 single residential dwellings and up to 1,500 multi-unit dwellings. The sale of stage 2 was finalised in June 2017 for a total price of \$135.85 million with a yield of 1,210 dwellings. The final stage of Denman Prospect, Stage 3 is currently not identified for release in the ILRP.
- The settlement of Stage 2 is scheduled to be in three instalments as follows:
 - Instalment 1, before 30 June 2018, \$62.85 million;
 - Instalment 2, before 30 June 2019, \$36.5 million; and
 - Instalment 3, before 30 June 2020, \$36.5 million.
- CED advised on 7 June 2018 that they will not be in a position for settlement to occur for the first instalment before 30 June 2018. CED advised that they would settle on Monday, 2 July 2018.

- The Environment, Planning and Sustainable Development Directorate is undertaking Concept Planning for the Molonglo Commercial Centre with the aim to have the Concept Plan finalised by the end of 2018. Uses being considered include retail, bulky goods, commercial, community, education, emergency services, recreational, trades and residential.
- The ILRP forecasts 15,000m² of commercial land to be released in 2020-21. Timing for a staged release will consider local population growth, market demand for larger scale operations balanced around local shopping opportunities.

Molonglo 3

- The planning for Molonglo 3 was identified in the 2010 Molonglo and North Weston Structure Plan and will provide for approximately 12,000 dwellings in multiple suburbs including local centres, group centres and community uses including government and independent schools.
- The first suburb of Molonglo 3 is Whitlam which is being developed by the Suburban Land Agency. Whitlam comprises approximately 2,100 single residential and medium density dwellings, a community facility site, commercial zones and a local centre. The Suburban Land Agency is undertaking the planning and design works for Whitlam to enable releases identified in the ILRP in 2018-19.
- The Estate Development Plan for Whitlam Stage 1 (619 dwellings, 542 single residential and nine multi-unit sites accommodating a total of 77 dwellings) has undergone ACT Government agency circulation in preparation of lodgement of the Development Application in mid-2018.
- On 8 May 2018 the Minister for Planning and Land Management approved an application under section 211 of the *Planning and Development ACT 2007* for an exemption from the requirement to complete an Environmental Impact Statement for the Molonglo Valley Stage 3 development area. The approval confirms that the Minister is satisfied that previous environmental studies (undertaken in the Molonglo Valley) adequately address the expected environmental impacts of the development.

Portfolio: Housing & Suburban Development

Budget Paper: 3**Page No: 217-219****ISSUE: UPDATE OF MOLONGLO COMMERCIAL LAND DEVELOPMENT****Talking points:**

- Commercial sites in Molonglo are being released progressively to meet population growth. This approach remains consistent with the development of new suburbs in other areas of Canberra.
- The Territory has previously released a number of sites for commercial and retail operations in Molonglo Stage 1 and 2 (Wright, Coombs, North Weston and Denman Prospect), with non-government developers currently undertaking the developments on these sites to bring more retail and general services to local residents.
- The most recent release of a mixed-use site was in December 2017 in Wright. Over the next three years, three additional mixed-use sites in Wright and Coombs will be released. This sequence of releases will enable the market and developers to meet the demand for shopping and other services in the Molonglo area.
- The Environment, Planning and Sustainable Development Directorate (EPSDD) is currently progressing the concept planning for the first release in the Molonglo Commercial Centre in 2020-21. It would be expected that this release will take up to 24 months to develop (e.g. open and trading by 2023).

Key Information

- The population in Molonglo Valley is estimated to be above 4,600 based on the 2016 Census. Current supermarket space under construction is made up of Coombs (1,000m²) and Denman Prospect (1,000m²). Based on a national average for supermarket space of 332m² per 1,000 residents, the developments under construction satisfy demand in the short term. Additionally, the service station development proposed on the Cotter Road, will provide retail and fast food services.
- Over the next five to ten years the population of Molonglo Valley is anticipated to grow to around 24,000 residents. The estimated population in 20 to 25 years is around 45,000 residents.
- The 2018-19 Budget provides funding of \$47 million over the next three years to construct a new primary school (P-6) in Molonglo and to plan for a future 7-10 campus. The primary school will begin taking students in the 2021 school year.

- EPSDD is undertaking concept planning work for the Molonglo Commercial Centre (MCC). This will enable the first land release of MCC, as forecast in the Indicative Land Release Program for 2020-21, being 15,000m² of commercial land. The release would permit a full line supermarket of 3,500m². This would be in line with the national average for supermarket space, for the medium term growth of Molonglo.

Background Information – may not be suitable for public disclosure

- Cooleman Court, Weston Creek is currently Molonglo's closest shopping centre and only nearby service station. Enhancements through the Weston Creek Group Centre Master Plan were endorsed by the EPSDD and a draft variation to the Territory Plan (DV329) was prepared to incorporate the strategies and planning policies of the Master Plan into the revised area precinct code. DV329 does not have interim effect.
- **Molonglo Stage 1** retail shopping and related commercial demand will be serviced from:
 - Block 3, Section 36 Coombs. This site was sold in March 2015 to a developer and included a requirement for a 1,000m² supermarket. The developer is responsible for the built form and operation. Construction on the site is underway.
 - Block 1, Section 17 Coombs. This site was sold in March 2015 to a developer for community use. The site requires the delivery of a Community Activity Centre (community hall, meetings rooms) and permits uses for a health facility, providing health care services to outpatients. Construction on the site is underway.
 - Part block 1218 Weston Creek on Cotter Road was sold in November 2015 to a developer for a service station, car wash and fast food operations.
 - Block 3, Section 41 Coombs of 8,714m² was sold in February 2017 to a developer for a mixed-use development. Construction on the site is underway.
 - Block 1 Section 38 Wright of 15,770m² was sold in December 2017 to a developer for Commercial Zoning land use.
 - Two additional mixed-use sites (comprising sites of around 6,000m² and 12,000m²) are also located in Molonglo Stage 1 and will be released in accordance with the ILRP over the next two years.
- **Molonglo Stage 2** retail shopping and related commercial demand will be serviced from:
 - Denman Prospect Stage 1B being developed by Capital Estate Developments Pty Ltd (CED), which includes commercial, community uses, supermarket, place of worship, childcare and community facilities. In May 2016, CED announced the Denman Prospect local centre which is anticipated to be trading in early 2019.
 - The MCC, in the long term, will provide approximately 95,000m² of retail, commercial and community floor space. Timing for a staged release will consider local population growth, market demand for larger scale operations, balanced around local shopping opportunities.
 - The first MCC release is forecast in 2020-21. It is reasonable to expect this release to take up to 24 months to complete (e.g. open and trading by 2023). This will ensure there is demand for a full line supermarket making it a viable operation to potential developers and retailers alike in the medium term.

- **Molonglo Stage 3** retail shopping and related commercial demand will be serviced from a local centre in Whitlam and commercial, community and educational facilities in the remaining parts of Molonglo Stage 3 as it is progressively developed. A site of 10,000m² is planned for release in Whitlam in 2021-22.

Portfolio: Housing & Suburban Development

Budget Paper: 3

Page No: 217-219

**ISSUE: DEVELOPMENT UPDATE ON THE WEST BELCONNEN
(GINNINDERRY) JOINT VENTURE**

Talking points:

- Construction on Stage 1 of Ginninderry comprising 350 dwellings commenced in April 2018 and it is anticipated that the first residents will be moving in late 2019.
- Planning for Stage 2 comprising 800 dwellings is progressing with approval of the Estate Development Plan expected in August 2018.
- The 2018-19 to 2021-22 Indicative Land Release Program provides for releases in the first suburb of Strathnairn of 300 blocks per year for the next four years.
- The process to re-zone the NSW land has commenced through the Yass Valley Council and the NSW Government. The planning proposal is likely to be on public display later this year with a decision on the re-zoning expected late 2019.
- On 2 February 2018, the ACT Government announced that Stage 1 of Ginninderry will be the first 'no gas' suburb in the ACT. An all electric estate with mandatory inclusions such as photovoltaic cells on all houses provides innovation in sustainability and significant energy savings for residents. This trial project is a collaboration with Evoenergy (ActewAGL Distribution), the ACT Government and Ginninderry. The learnings from this project will be applied to other developments in the ACT bringing advances in sustainability, affordable living and customer choice.

Key Information

- Ginninderry stretches from the north western suburbs of Canberra (Holt and Macgregor) across the ACT/NSW border into a part of the Yass Valley. It is bounded on two sides by the Murrumbidgee River and Ginninderra Creek. The first two suburbs of Ginninderry will be Strathnairn and McNamara.
- Recognising the extensive environmental studies undertaken to date, an application for an exemption from undertaking an Environmental Impact Statement for the Ginninderry development is currently under consideration by the ACT Planning Authority following a period of public comment which closed on 1 May 2018.

- The Government agreed in May 2017 to the formation of a Built Form Joint Venture (BFJV), which will manage the design, build and sales of affordable housing products in West Belconnen. The final form of the Built Form Joint Venture has recently been considered by the Suburban Land Agency Board and agreed that it can be undertaken under the existing JV arrangements and need not require a separate JV agreement.
- The project will involve the design and construction of 70 dwellings in order to deliver more affordable housing products and demonstrate sustainable housing development, in line with the objectives of the Ginninderry Joint Venture. The affordable product will be restricted to qualified buyers with a combined income of less than \$120,000 per year.

Background Information – may not be suitable for public disclosure

- Processes are currently underway to manage the following:
 - the 750 metre exclusion zone caused by Pace Egg Farm operations in Parkwood;
 - interfaces with the ACT Government project that will deliver the second point of power supply to the Territory by TransGrid;
 - appropriate buffer zones for the Lower Molonglo Water Quality Control Centre; and
 - the current uses of the West Belconnen Resource Recovery Centre, including the management of green waste, and plans for decommissioning the site.
- Pace Farm is an egg production facility located within the future urban footprint of the Ginninderry development. An Environmental Clearance Zone (ECZ) around the facility prevents any incompatible development (including residential) within 750 metres of the facility. Pace Farm has a 20 year lease over the land it occupies, due to expire in 2035.
- Consideration has been given by the project to an early acquisition of the property due to the opportunities of the development of Ginninderry to proceed on two fronts, and at a faster pace compared to waiting for the Pace Farm lease to expire in 2035. In addition, it is considered that the removal of Pace Farm would reduce risks to the total development associated with negative perceptions from potential purchasers arising from the development's proximity to an egg production facility. The proposal is under consideration by the SLA Board prior to consideration by Government.

Portfolio: Housing & Suburban Development

Budget Paper: 3**Page No: 141, 171, 219****ISSUE: PARKWOOD ROAD RECYCLING ESTATE****Talking points:**

- Block 1586 Macgregor comprises the West Belconnen Resource Recovery Centre (WBRRC) and the Parkwood Road Recycling Estate (PRRE). As part of the urban development of Ginninderry, both facilities are required to be closed and remediated by the Territory.
- A commitment was made in the 2017-18 Budget for the closure and capping of the WBRRC. The 2018-19 Budget funds necessary works associated with the closure and remediation of the PRRE. Transport Canberra and City Services Directorate (TCCS) has been provided \$4.953 million to manage the initial clean-up works within PRRE.
- Lots within the Estate are being progressively closed by ACT Property Group with the Suburban Land Agency and TCCS assisting. To date licensees are actively assisting in this process with the majority to vacate their respective lot by 18 June 2018.

Key Information

- WBRRC must be remediated to facilitate the development and release of land in future stages of the Ginninderry Joint Venture to meet the land release targets identified in the Indicative Land Release Program (ILRP). This requires 1,200 Residential Blocks to be release by mid-2022.
- Clean up and remediation of PRRE by TCCS must also commence as soon as possible to mitigate any risks associated with achieving the land release targets identified in the ILRP.
- As at 18 June 2018, of the 60 lots in PRRE, 41 will be vacant and 13 Licensees will have an extension of time to vacate by 18 July 2018. The remaining six Licensees can remain in their current location with the last Licensee vacating in July 2023.
- The six Licensees that are to remain within PRRE will need to be allowed to operate their business without any disruption while remediation works occur around them. This will require any roads to remain open as well as the provision of services to their lot including water, electricity and telecommunications.

Background Information – may not be suitable for public disclosure

- In late October 2017, the SLA as a Joint Venture (JV) partner with the Riverview Group became actively involved with ACTPG to progress the termination of Licences within PRRE.

Cleared as complete and accurate: 15/06/2018

Cleared by: Executive Director

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This was due to concerns that Licensees tenure on the land would pose a significant risk to the lodgement of the EDP and subsequent development of Stage 3 of Ginninderry due to the removal of the environmental clearance zone that surrounds the WBRC.

- To ensure that key milestones would be achieved it was proposed that the majority of Licensees would vacate their respective Lot by mid-2018, and as such there has been a considerable effort by the SLA to achieve this target.
- After 18 July 2018 the long term Licence holders that will remain in PRRE are as follows.

Lot	Licensee	Termination Date
2006	Priority Trees	July 2020
2025, 2042, 2043	Mitchell Family Removals	July 2020
2058	Traction Tyres	December 2020
2034	Concrite	July 2023

- The reason that the licensees can remain is that there is no clause within each respective Licence to facilitate early termination apart from non-payment of rent by the Licensee.

Portfolio: Housing & Suburban Development

Budget Paper: 3**Page No: 215****ISSUE: RELEASE OF LAWSON STAGE 2****Talking points:**

- Lawson Stage 1 was developed by the former Land Development Agency from 2011 to 2015 and delivered 1,460 residential dwelling blocks. All available blocks have sold and settled.
- Lawson Stage 2 is identified in the current Indicative Land Release Program for release by the Suburban Land Agency (the Agency) in 2017-18 as an englobo release. It is situated to the west of Lawson Stage 1 and adjacent to Lake Ginninderra.
- The estate planning for Lawson Stage 2 allows up to 940 dwellings to be developed on the site, 1.9 hectares of CZ5 mixed use and 1.0 hectare of community use land. The Government has committed 80 dwellings to affordable housing, 24 to public housing and 20 to community housing.
- The site will be sold through a two stage process, commencing with calls for an Expression of Interest in late June 2018, and a call for tenders from shortlisted proponents as a result of the EOI process.

Key Information

- Stage 2 is constrained by the Belconnen Zone Electrical Substation (BZS) located in the middle of the site and overhead 132kV high voltage transmission lines (HVL) traversing the site in an east-west alignment. As part of the development, the transmission lines are planned to be relocated underground. Additionally, landscape works associated with a creek line running through the estate and the frontage to Lake Ginninderra form a major component of works required for the estate development.
- The above works will be undertaken by the successful purchaser of the site. The purchaser will be required to enter into a Deed of Agreement which sets out these requirements for the development. The purchaser will also be required to enter into a contract with Evoenergy for the relocation of the high voltage power lines.

Background Information – may not be suitable for public disclosure

- The sub-station and HVL present risks in terms of earthing hazards, and accordingly the Suburban Land Agency has engaged an expert recommended by Evoenergy to advise on engineering solutions to mitigate the earthing risks. The preferred solution requires the developer to construct buried earthing infrastructure (BEI) which will manage the potential earthing hazard.
- The ACT Government Utilities Technical Regulator (UTR) has been consulted and the engineering solutions proposed are considered suitable by the UTR. Notwithstanding, the UTR has requested that Evoenergy consider alternative solutions to provide assurance that the optimal solution is identified. This review will be complete by the end of June 2018 and will not impact the timeframe for the release of the Expression of Interest.

Portfolio: Housing & Suburban Development

Budget Paper: 3

Page No: 217-219

ISSUE: GUNGAHLIN DEVELOPMENT UPDATE

Talking points:

- The delivery of land in Gungahlin is in accordance with the Government's Indicative Land Release Program (ILRP) 2018-19 to 2021-22.
- The ILRP 2018-19 to 2021-22 identifies the release of:
 - 4,644 dwellings
 - 60,000m² of mixed use site area
 - 62,000m² of commercial site area
 - 90,900 m² community facility site area
- During 2017-18, 606 dwellings were released.

Key Information

- The Suburban Land Agency is currently undertaking planning and/or construction works in Gungahlin Town Centre, Taylor and Jacka 2. Sales are ongoing in Throsby and Moncrieff, as are Mingle events.
- The ILRP 2018-19 to 2021-22 identifies the release of 4,644 dwelling sites in the Gungahlin district with 674 dwelling sites in 2018-19. The Suburban Land Agency Statement of Intent for 2018-19 identifies the receipt of approximately \$880.5 million in revenue over the four years from Gungahlin.
- A multi-unit sales event for Taylor 2 is scheduled for 20 June 2018. This sale is for six sites with a total of 216 dwellings.

Background Information – may not be suitable for public disclosure

Moncrieff

- Moncrieff is a residential estate of around 2,000 dwellings on 185 hectares. It comprises single residential and medium density multi-unit housing, two community facility sites (a five hectare site for a non-government school and a one hectare site whose use it yet to be determined), a Group Centre (1.5 hectare site for commercial and retail use) and several mixed use development sites.
- Civil works are complete in Moncrieff and home building activity is well underway. Landscape works are now complete and have been handed over to Transport Canberra and City Services.

- The Moncrieff Group Centre was scheduled for release in 2017-18. The Suburban Land Agency obtained independent advice that suggested that the Group Centre site should be sold as one package with the adjoining mixed use (CZ5) site and allow for a full line supermarket to be developed. A Territory Plan Variation (TPV) will be required to facilitate this. The Land Supply and Policy Team in the Environment, Planning and Sustainable Development Directorate advise that this is likely to provide the best outcome for the Moncrieff community. As such, the release is being deferred to allow time for the TPV process. This will provide 15,400m² of commercial land, 9,200m² of mixed used land and 90 dwellings. Whilst not identified in the ILRP 2018-19 to 2021-22 it could be released in 2019-20.
- The ILRP 2018-19 to 2021-22 identifies the release of 36 dwellings and a 10,000m² community facility site.
- Mingle continues to be active in Moncrieff with Residents Catch Up on 5 June 2018 and Playgroup meeting every Tuesday during school term.

Throsby

- Throsby is a residential estate of 1,101 dwellings on 106 hectares. It will comprise single residential and medium density multi-unit housing, a community facility site of five hectares and a small mixed use precinct with 1,000m² of commercial and retail space.
- All stages of civil and landscape construction are complete. Settlements are occurring and home building activity has commenced.
- A large sculpture of two kangaroos, a mother and her joey, is to be installed in the neighbourhood park by the end of August 2018. The sculpture, "Stopping to Smell the Flowers" was designed and sculpted by Jimmy Rix and was previously on display during Floriade in 2017. The relocation of the sculpture is a joint project between the Suburban Land Agency and artsACT.
- Of the 1,101 dwellings, 950 dwellings have been released, including 31 in 2017-18. There are 49 dwellings available for sale over the counter with the agent.
- The ILRP 2018-19 to 2021-22 identifies the release of 151 dwellings. A five hectare community facility site will be released in the period.

Gungahlin Town Centre

- Construction works continue in Gungahlin Town Centre East. This work comprises sites for commercial, mixed use and community facilities as well as associated open space and landscaped area.
- There are a number of major infrastructure projects in the Gungahlin Town Centre that will be constructed concurrently. The Suburban Land Agency's work includes the construction of a new road to the south of The Valley Avenue and upgrades to two intersections. The new road will start at Manning Clarke Crescent and join into existing intersections along The Valley Avenue at Kate Crace Street and Gungahlin Place.

- The Gungahlin Place intersection has been upgraded and the Kate Crace Street intersection will be upgraded during August-October 2018, providing four-way signalised intersections. These works will cause disruption to traffic, but this will be managed to ensure the impact is minimised. It is anticipated that the Gungahlin Town Centre East Estate Development works will be completed in the last quarter of 2018.
- Work undertaken by other directorates include Transport Canberra Light Rail on Flemington Road and Hibberson Street and capital works involving the extension of Ernest Cavanagh Street.
- A Project Control Group coordinates communications and traffic management due to the multiple concurrent projects underway. Temporary traffic management arrangements are being put in place during the works and these are being coordinated to ensure disruption is kept to a minimum. Despite these measures it is anticipated that at times there will be disruptions to traffic movement whilst the work is underway.
- In 2017-18 two sites, with 135 dwellings, were released to the Public Housing Renewal Taskforce.
- The ILRP released with the 2018-19 Budget identifies the release of 1,286 dwellings, approximately 60,000m² of mixed use site area, 33,000m² of commercial site area and 22,500m² of community facility land in the period 2018-19 to 2021-22.

Taylor

- Taylor is a residential estate of approximately 2,500 dwellings on 317 hectares. It will comprise single residential and medium density housing, a community facility site for a government P-10 school, as well as a 10,000m² community facility site associated with a local centre and district playing fields.
- Home building activity is underway in Taylor 1 and construction of civil works is proceeding in Taylor 2.
- To date 714 dwellings have been released via public ballot, auction and tender. In 2017-18 440 dwellings will have been released, including the scheduled auction of six multi-unit sites (216 dwellings) on 20 June 2018.
- The ILRP 2018-19 to 2021-22 identifies the release of 1,900 dwellings, the Local Centre and a 7,000m² community facility site.

Jacka 2

- The planning and engineering consultancies for the Jacka 2 Estate Development Plan have been awarded to Roberts Day and Cardno, respectively. A draft Estate Development Plan is anticipated in August 2018 with Development Approval in early 2019.
- The ILRP 2018-19 to 2021-22 identifies the release of 700 dwellings between 2019-20 and 2021-22.

Kenny

- 400 dwellings are currently identified for release in Kenny from 2020-21. Planning for Kenny is currently the responsibility of the Environment, Planning and Sustainable Development Directorate.

Portfolio: Housing & Suburban Development

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ISSUE: DEVELOPMENT UPDATE ON INDUSTRIAL LAND

Talking points:

- Investment in our economy is a government priority – in particular improving access to international growth markets for Canberra and its region.
- A long term industrial land release strategy has been developed to ensure a 20 year supply of land to support economic growth and diversification of the ACT economy.
- The Indicative Land Release Program allows for industrial land releases in Hume, Symonston, Fyshwick and the Majura Valley (Pialligo) over the next four years.
- 30,000m² of land was released for sale in Hume in June 2017 and a further 25,000 m² was released in June 2018.
- Releases in Symonston, Fyshwick and the Majura Valley are currently constrained by the Commonwealth Eastern Broadacre Strategic Assessment, but it is anticipated that releases in the areas will occur from 2020-21.

Key Information

- An Industrial Land Supply Strategy developed by the former Land Development Agency has assessed potential industrial land in the ACT. A progressive release strategy in the areas of Hume, Symonston, Fyshwick, and Majura has been formulated which offers a range of block sizes that will be able to respond to industry trends and requirements
- The Indicative Land Release Program 2018-19 and 2019-20 provides for industrial land releases in Hume of 20,000m² each year. Serviced blocks are now available for sale in Section 22 Hume and land servicing will continue in 2018-19 to ensure continuity of supply.
- Constraints caused by Commonwealth consideration of the Eastern Broadacre Strategic Assessment through EPSDD is currently precluding the ability of achieving any releases in Symonston, Fyshwick and Majura. It is anticipated the Strategic Assessment will be finalised within the next 12 months, thus enabling releases in these areas from 2020-21.

Portfolio: Housing & Suburban Development

ISSUE: RURAL LAND ACQUISITIONS

Talking points:

- Between June 2014 and June 2017, the former Land Development Agency (LDA) had acquired or was in the process of acquiring 13 rural properties, nine of which are the subject of the Performance Audit into the assembly of rural land west of Canberra (Lands End, Milapuru, Huntly, Wintergarden, Winslade, Pine Ridge, The Vines, Wagtail Park and Fairvale). The nine properties subject of the audit are all located on the western edge of the ACT, in the Stromlo and Belconnen districts.
- The other four properties include Lot 2 Wallaro Road (NSW, adjacent to the suburb of Dunlop), Burraburoo (located near Williamsdale south of Canberra), Bonshaw and Block 5 Section 12 Pialligo (both acquired from the Commonwealth).
- These land acquisitions were made in accordance with the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)* (Notifiable Instrument NI 2014-264) (the Framework).
- The decisions to acquire ownership of the land were made by the LDA Board in the context of the 2012 *ACT Planning Strategy*, its annual Statements of Intent and commercial mandate. The purchases allow for a range of potential uses, including urban development, environmental offsets, utility infrastructure, community uses, district playing fields, and educational and scientific establishments.
- The future uses of all sites will be guided by planning decisions and the relevant planning rules such as the Territory Plan. For example, this could include use of the sites for environmental purposes or in the case of the Block 5 Section 12 Pialligo, partly used for slip road off Majura Parkway.
- The Suburban Land Agency is now responsible for management of this rural land. Land Management Agreements (LMA) have been submitted to the area of ACT Government responsible for approving them - ACT Parks and Conservation Service.

- Any future rural land acquisitions would be subject to decision making under the *City Renewal Authority and Suburban Land Agency (Suburban Land Agency Land Acquisition) Direction 2017* (Disallowable instrument DI2017-262) (the Direction).

Key Information

- A condition of the transfer of a rural property is subject to the buyer entering into an LMA with the Territory (Conservator of Flora and Fauna) in relation to managing the rural land comprised in the lease.
- The execution of LMAs requires cooperative effort across the ACT Government.
- Section 286 of the *Planning and Development Act 2007* states that the ACT Planning and Land Authority may extend the period in which an LMA is required to be finalised. It has granted an extension (most recently dated 10 November 2017) for the Suburban Land Agency until 31 December 2018.
- Within six months of acquisition, for all properties other than Milapuru, the former Land Development Agency had submitted the relevant information to the ACT Parks and Conservation Service to allow the LMA process to commence.
- The former Land Development Agency and subsequently the Suburban Land Agency have been in regular contact with the ACT Parks and Conservation Service regarding the progress of LMAs from draft to final stage.
- The status of LMAs for rural properties is as follows:

Property	Settlement	LMA initiated	Draft LMA submitted to ACT Parks & Conservation Service, EPSDD	Notes
Lands End (Blocks 1591-1597, District of Belconnen)	30/6/15	10/11/15	08/2/16	Letter issued on 12 August 2016 advising lessee to continue to occupy the land but to maintain it under the same conditions as the old LMA.
Milapuru (Block 19, District of Stromlo)	31/7/15	07/3/16	27/7/16	The previous LMA was included in the Contract for Sale.
Huntly (Blocks 412, 413, 426, 487, 489, District of Stromlo)	8/4/16	28/6/16	26/7/16	-
Wintergarden (Blocks 1491, 1492, 1587, District of Stromlo)	30/8/16	4/8/16	4/11/16	The previous LMA was included in the Contract for Sale.

Winslade (Blocks 435, 439, 440, 441, 456, 476, District of Stromlo)	30/6/17	9/11/17 (SLA)	27/11/17 (SLA)	–
Pine Ridge (Block 1600, District of Belconnen)	31/7/17	9/11/17 (SLA)	27/11/17 (SLA)	–
The Vines (Block 1582, District of Belconnen)	N/A	N/A	N/A	Likely be settled in prior to end of June 2018.
Burraburro (Blocks 1405, 1470, 1471, District of Tuggerong)	30/3/15	29/4/16 LMA in place	N/A	Land partly under use for a solar farm.
Lot 2 Wallaroo Road	19/11/15	N/A	N/A	Land acquired from the Commonwealth for environmental offset at Ginninderry.
Wagtail Park (part Block 1601, District of Belconnen – 12.24ha)	Not applicable, as this comprised land for a substation and water reservoir.			
Bonshaw (Jerrabomberra B2060, Pt2061, 2062 & 2075)	No LMA needed as this is unleased Territory Land. Transferred to the Territory by the Commonwealth.			
Pialligo (Block 5 Section 12 Pialligo)	No LMA needed as this is unleased Territory Land. Part land used for road connection off Majura Parkway.			
Fairvale (part former Block 491, District of Stromlo)	No LMA needed as this is unleased Territory Land. All conditions written into 303 Licence which was never executed but is in draft form.			

Background Information – may not be suitable for public disclosure

- The acquisition of rural land has been subject to a Performance Audit by the ACT Auditor-General. The Environment, Planning and Sustainable Development Directorate and Suburban Land Agency coordinated to provide comments on the draft Performance Audit Report. A Final Performance Audit Report is expected to be tabled by 30 June 2018.
- EPSDD and the Suburban Land Agency have requested Treasury draft detailed guidance on the application of the Acquisitions Direction to inform consideration of any future acquisitions.

Portfolio: Housing & Suburban Development

ISSUE: RURAL PEPPERCORN LEASES

Talking points:

- The Suburban Land Agency has responsibility for four rural properties which have been sub-leased back to the original lessee.
- A sub-lease is negotiated as part of the sale, including the term and fee, and approved by the relevant delegate as part of the overall sale process.
- Value for money considerations when entering into a sub-lease include when the land is required for future use, and options for management of the land in the interim.
- The four sub-leases all have a term of ten years at a nominal rental rate. A peppercorn arrangement reflects that the sub-lessee is required to manage the land to a standard required by the Territory, and meet all costs associated with the land management including all rates and charges.
- The ACT Government does not generally collect peppercorn rents. This is a financial decision because the costs for collection makes the process economically unviable.
- Sub-leases include provision for termination with 30 days notice should the Territory wish to use the land for another purpose.

Key Information

- The four sub-leases are as follows:

Property	Term	Fee	Expiry
Horse Park Block 766 Gungahlin	10 years	\$1 per annum	June 2021
Wintergarden Block 1491 Belconnen	10 years	\$1 per annum	August 2026
Pine Ridge Block 1600 Belconnen	10 years	\$1 per annum	July 2027
Winslade Block 456 Stromlo	10 years	\$1 per annum	June 2027

Background Information – may not be suitable for public disclosure

- The Portfolio Project Governance Committee chaired by EPSDD has endorsed the policy 'Management of Rural Subleases and Licences' which applies to EPSDD, SLA and CRA. The policy was submitted to the SLA's Board Audit and Risk Committee for noting on 22 June 2018.
- This policy ensures that all rural subleasing and licensing arrangements entered into within the Portfolio are conducted in accordance with the highest standards of probity, relevant legislation and ACT Government policy.

Portfolio: Housing & Suburban Development

ISSUE: LAND ACQUISITIONS AND PROCUREMENT PROCESSES

Talking points:

- Land acquisitions were previously required to be assessed under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014*.
- This Direction was superseded by the passage of the *City Renewal Authority and Suburban Land Agency Act 2017*, which established new requirements for land acquisitions.
- A new Disallowable Instrument being the *City Renewal Authority and Suburban Land Agency (Suburban Land Agency Land Acquisition) Direction 2017* was signed by the Treasurer on 31 October 2017 and came into effect on 1 November 2017.
- The SLA is not currently undertaking any new land acquisitions, however two acquisitions commenced under the previous arrangements and settled in the current financial year.

Key Information

- Key aspects of the new Direction include the mandatory preparation of a business case setting out the financial implications, relevant valuations, the purpose for which the land is to be acquired and consistency with the objects of the Suburban Land Agency and requirements of the Territory Plan.
- In the preparation of the business case, the Under Treasurer and the Directors-General of EPSDD and Transport Canberra and City Services must be consulted before consideration by the responsible Minister and the Executive.

Background Information – may not be suitable for public disclosure

- Agency has been involved in preparing advice to EPSDD in relation to the possible acquisition of Pace Farm.
- EPSDD has developed a Land Release and Development Framework in response to the 2016 audit report on Certain LDA Acquisitions, the Ian McPhee *Economic Development Governance Review* and the *LDA Business Process Review*.

ISSUE: CANBERRA BRICKWORKS PRECINCT – LAND SALE & TENANCIES

Talking points:

- Contract negotiations are ongoing with the Preferred Tenderer, Doma Group.
 - It is expected these will be concluded in the next few months.
- Development completion is expected in the second half of 2023 with the new heritage precinct being delivered in the first stage of development works.
- No Heritage or Development Applications have been lodged for the site.
- The sale of the Canberra Brickworks Precinct allows the make-safe, refurbishment, adaptive reuse and preservation of the historic Brickworks buildings, quarry and heritage railway remnants. The site includes residential development to a maximum of 380 dwellings.
- The endorsed 2010 Conservation Management Plan (CMP) and 2013 Railway Remnants registration form part of the development opportunities and constraints, noting a revised CMP will be produced by the successful tenderer as part of the approvals for the development.

Procurement and Community Consultation

- The two stage sales process for the Canberra Brickworks Precinct commenced with a Request for Proposal (RFP) on 2 April 2016, followed by the Request for Tender (RFT) on 11 November 2016.
- The RFT closed on 19 January 2017 and a tender evaluation process followed. Doma Group was announced as the preferred tenderer on 11 April 2017.
- Community stakeholder groups were invited to form part of a Community Panel and have been part of a collaborative engagement process since October 2015. Community engagement is ongoing with Doma Group.
 - The Community Panel model has been recognised as a successful model for community engagement and consultation.

Brickworks Tenancies

- Thor's Hammer (Thor) is the main tenant on the site. Consistent with the existing tenancy arrangements for the lease on the site, ACT Property Group issued a notice to vacate following consent with the responsible Minister (the Treasurer) in April 2018.
- Thor has sought a further license extension until 30 September 2018 to relocate to a new facility which it has recently leased.
- The Government has facilitated this extension subject to Thor meeting conditions including permitting on site investigations by the Preferred Tenderer, Doma Group after exchange of the sale.
- The notice to vacate will be withdrawn following confirmation from Thor.
- An encroachment over the land existed on the northern boundary of the site. This has largely been resolved by the Territory, with minor makegood landscaping to be completed shortly, and prior to the settlement.
- The 2017-18 Budget provided \$8 million to construct a new access road to the Canberra Brickworks Precinct including upgrades to Dudley Street in Yarralumla. The project has had numerous information sessions.

Key Information

- Blocks 1, 7 and 20 Section 102 Yarralumla forms the Canberra Brickworks Precinct land. The negotiations for the land sale are currently progressing with the preferred tenderer Doma Group. The target date for the exchange on the Contract for Sale is August 2018.
- The CBP land contains ACT heritage listed Brickworks and Quarry (registered as Block 1) and Railway Remnants (part of Block 7). Block 1 is currently not publicly accessible.
- The Community Panel for the land sale project worked with the former Land Development Agency (LDA) to establish a series of objectives to inform the preferred outcomes for the Canberra Brickworks Precinct. These were included as the Precinct Objectives in both the RFP and RFT documents as response criteria weighted 50%.
- The Community Panel was also invited to advise the LDA's Evaluation Team on proponents' responses to Precinct Objectives during both the RFP and RFT evaluation periods.
- The Community Panel members are bound by Confidentiality Deeds until the exchange of the sale.

Background Information – may not be suitable for public disclosure

- In late August 2015, the Chief Minister announced the release of the Canberra Brickworks Precinct and set a maximum dwelling yield of 380 residential dwellings.
- The site is approximately 16 hectares.
- The site is zoned CZ6 - Leisure and Accommodation with a small pocket of RZ1 - Suburban Zone contained within Block 1. The Yarralumla Precinct Map and Code also applies.
- Permissible uses include residential with a maximum yield of 380 dwellings, commercial accommodation use, community use, parkland, indoor and outdoor recreation facility, tourist facility, shop, restaurant and other uses consistent with the zoning of the land.
- The former LDA mandated through the RFP and the RFT documentation future public access to conserved and adapted heritage assets and parks in perpetuity.
- The Community Panel formed for the CBP includes:
 1. Yarralumla Residents Association (YRA);
 2. Inner South Canberra Community Council (ISCCC);
 3. National Trust;
 4. Geological Society;
 5. Pedal Power; and
 6. SEE Change Inner South.
- The RFP was released on 2 April 2016 and the YRA President represented the Community Panel at the Industry Briefing held on 27 April 2016. Five submissions were received on 16 June 2016. The former LDA considered advice from the Community Panel and the ACT government agencies prior to concluding its recommendation.
- Two shortlisted Proponents were announced on 27 August 2016, Doma Group and a [REDACTED]. The Request for Tender was released on 11 November 2016 and closed on 19 January 2017. As part of the RFT process the tenderers were required to consult with infrastructure providers and meet with the Community Panel, Transport Canberra and City Services, Environment, Planning and Sustainable Development Directorate and the National Capital Authority.
- The Tender evaluation process concluded and an announcement was made on 11 April 2017 that Doma Group was the Preferred Tenderer.

- The CDD requires Doma Group to continue collaborative engagement with the Community Panel and achieve Estate Development Plan Development Application approval in order to complete the Contract of Sale for the Land.

- Settlement of the land is expected in January 2020.

ISSUE: KINGSTON ARTS PRECINCT TENDER

Talking points:

- Geocon Group (Geocon) was announced as the preferred tenderer in February 2017 for their design response and delivery of the Kingston Arts Precinct (KAP).
- Funding approval for delivery of the purpose built arts facilities is required and is being worked through by a cross Directorate Steering Committee. Funding approval will include future operational costs associated with property management and proposed marketing/events management model for the Precinct.
- Formal contract negotiations with the preferred tenderer will commence once the Government has agreed the funding of the arts facilities.
 - The Suburban Land Agency is in regular contact with representatives of Geocon on the progress of this work.
- Future development within Section 49 Kingston will create employment opportunities during construction and subsequently in retail and hospitality sectors. The Kingston Arts Precinct (part of Section 49) will bring together education and arts employment opportunities, creating a unique Canberra destination for tourism businesses.
- The land sale does not include Canberra Glassworks, the Fitters' Workshop, the Old Transport Depot or Telopea Substation.

Key Information

- The Kingston Arts Precinct is an integral part of the Kingston Foreshore estate project and combines a number of deliverables:
 - realisation of Arts Facility Strategy released in 2003 and subsequent studies;
 - land release as originally included in the Indicative Land Release program for 2015-16; and
 - a public car park facility of 500+ spaces.
- The Kingston Arts Precinct will include existing and new visual arts groups, co-located into purpose built facilities within the Precinct with a large open space provided for outdoor events, complimenting existing heritage buildings and their functions.

- Both local and broader Canberra communities remain interested in the next chapter of this project, with local residents groups seeking greater involvement in the post tender process. The Suburban Land Agency is continuing engagement with local residents groups.
- In early 2016 artsACT commissioned preparation of Functional Briefs for each art group identified for collocation. These Functional Briefs were included in the tender documents for the cost estimates by tenderers. Collaboration between artsACT and art groups is ongoing;

Background Information – may not be suitable for public disclosure

- Presentations on the progress of the Kingston Arts Precinct project were provided to the Economic Development Subcommittee in late February and March 2018;

- The Kingston Foreshore development commenced in 1995 and its estate design was subject to a National Design Competition in 1997 won by Canberra based Collin Stewart Architect. The new estate included future cultural precinct in the area now referred to as Block 15, Section 49.
- Strategic work was undertaken for artsACT, with Arts Facilities Strategy released in 2003 outlining opportunities for the future Kingston Arts Precinct. Subsequently, funding commitments were made for heritage conservation, adaptation and creation of Canberra Glassworks with activation of the Fitters Workshop and Bus Transport Depot heritage buildings, continuing the realisation of the precinct.
- In July 2011, the ACT Arts Minister released the *Kingston Arts Precinct Strategy*, setting out the vision and options for the proposed Kingston Foreshore arts precinct.
- In May 2014, a Master Plan for Section 49 was approved for public release by the Minister for Urban Renewal, outlining the strategy to further develop the Kingston Arts Precinct as a lively visual arts hub.
- In Nov 2014, Stewart Architecture Feasibility Study for the Kingston Arts Precinct was prepared on behalf of the artsACT providing options for the location of arts facilities, car park requirements and public open space referred to as ‘quadrangle’. This report was prepared with input from cultural planners, governance consultants, heritage architect and cost planners and its public version was released in June 2015.
- Part of Block 15, Section 49 land within Kingston Foreshore estate was released to the market in October 2015 through a two stage sales process – a Request for Proposal (RFP) and a Request for Tender (RFT).
- The proposed land sale process provided a unique opportunity for a cohesive urban development and innovative design response which included developable areas for mixed and residential use, as well as the Kingston Arts Precinct requirements for community and arts use.
- Geocon Group Pty Ltd was announced as the preferred tenderer in February 2017 and the post tender process commenced.

- Since 1 July 2017, the Suburban Land Agency has taken carriage of the post tender process, seeking clarifications from the preferred tenderer in order to confirm funding requirements for the project.
- Tender submissions will remain 'Commercial in Confidence' until public release of submitted documents by tenderers themselves.

ISSUE: SOUTHQUAY GREENWAY LAND DEVELOPMENT**Talking points:**

- The Southquay estate consists of 12 Development Application approved mixed-use sites, delivering approximately 1,100 infill dwellings in medium to high density developments, green open space, a new children's playground and landscaping including a boardwalk within the path network. The development responds to key government objectives to increase density in existing areas, provide diverse housing stock, liveable communities and provide affordable housing.
- On the western side of Tuggeranong Pond, Southquay West (Anketell Street) all eight sites have been sold for a total of \$30.2 million and will deliver approximately 880 dwellings.
- The lake foreshore cycle and footpaths are complete and open to the public. The central park known as Nina Farrer Park, including the playground was opened to the public in September 2017. Minister Gentlemen officially opened the park on 14 January 2018.
- Four sites to the eastern side of Tuggeranong Pond (Drakeford Drive) - Southquay East - permit 150-212 dwellings in buildings up to 13 metres (3 storeys).
- Three of four sites within Southquay East were released to the market for sale by auction on 18 April 2018.
- While the sites did not sell at auction, all three sites have been subsequently sold for a total of \$12.55 million.
- Delivery of 15 affordable dwellings is included in the conditions of sale for Southquay East which meets the requirements of the new affordable home purchase scheme.
- Design is underway for a shared use (non-vehicular) bridge over Tuggeranong Pond connecting the two stages of the Southquay development. Additional shared paths and landscaping will complement the new bridge.

Key Information

- The Southquay site is a 24 hectare site located in the southern reaches of Tuggeranong Pond, on both sides of the lake. The site is bound by major roads, including Drakeford Drive, Soward Way, and Anketell Street.
- Development on the western side is designated for 6-8 storey development, with the potential for three towers of a maximum 12 storeys. Development will step down to 1-4 storeys at the lake's edge in order to preserve views and scale.
- On the eastern side the Territory Plan permits development up to 13 metres (ie three storeys) in some portions.

Background Information – may not be suitable for public disclosure

- The Southquay developments have been subject to Estate Development Plans approved by the Environment, Planning and Sustainable Development Directorate.
- Southquay West is zoned CZ2 – Business Zone to allow for mixed use functions.
- Southquay East is zoned RZ4 – Medium Density Residential to support residential development of the sites.
- Planning and development of both areas is controlled by the Greenway Precinct Map and Code.
- The Southquay Greenway Estate was designed based on a set of planning principles including elements such as design that focuses activity towards Tuggeranong Pond, to encourage a lively waterfront for the Town Centre.

ISSUE: GREENWAY SECTION 28 LAND DEVELOPMENT

Talking points:

- The Greenway Section 28 site consists of three multi-unit sites, delivering approximately 313 infill dwellings in medium density developments and responds to key government objectives to increase density in existing areas.
- Civil engineering construction works commenced in late December 2017 and are due to be completed in July/August 2018.
- Blocks 3 and 4 were sold at auction on 28 February 2018 for \$22.6 million to private developers.
- Delivery of 25 affordable dwellings is included within the conditions of sale to meet the new Affordable Home Purchase Scheme.
- The Public Housing Renewal Taskforce (PHRT) has also commenced construction of 25 dwellings on the southern block (Block 5).

Key Information

- The site of approximately 4.2 hectares was re-zoned from urban open space to Residential Zone 4 (RZ4) in August 2015.
- Planning and development of the site is subject to the Greenway Precinct Map and Code.

Background Information – may not be suitable for public disclosure

- The site is positioned between Drakeford Drive to the east and Mortimer Lewis Drive to the west and south. There are existing medium density (townhouse) developments to the north.
- In November/December 2015 the former Land Development Agency together with the PHRT commenced consultation with local residents and the Tuggeranong Community Council regarding the Section 28 development. Local residents are receiving regular updates on the status of construction works.
- The development has received general support from the local community, particularly when the PHRT demonstrated that they had listened to the community's concerns about the location of public housing by moving their development site to the southern end of the estate.

- Some concerns regarding traffic management of Drakeford Drive, parking facilities at the Dog Park and safety issues with the new learn to ride cycle facility are being managed by the Transport Canberra and City Services Directorate.
- The development includes the construction of a sewer pump station which will be transferred to Icon Water at completion.

ISSUE: BELCONNEN TOWN CENTRE**Talking points:**

- The Government acknowledges that development in the Belconnen Town Centre is an important aspect of Canberra being a sustainable, liveable city.
- Proposed land releases in the Belconnen Town Centre will contribute to the provision of residential accommodation, new commercial and retail space, and new public realm upgrades consistent with Government policies for urban renewal in Belconnen.
- Consistent with the Indicative Land Release Program (ILRP), the Suburban Land Agency (SLA) is undertaking investigations on a number of sites in the Belconnen Town Centre for potential redevelopment.
- The SLA remains committed to informing the community of upcoming land releases and providing general information on how a site may be developed.

Key Information

- The former water police facility (Section 149) on the lake foreshore was scheduled for release in the 2017-18 financial year, however was withdrawn from the market in June 2018. The SLA will consider options for the site which will improve social, environmental and economic outcomes for the ACT community.
- The former Belconnen Health Centre (Section 54) adjacent to Margaret Timpson Park is scheduled for release in the 2018-19 financial year.
- The SLA is progressing with due diligence investigations and preliminary planning and design studies for other urban renewal sites including the former Fire, Ambulance and Police Stations on Lathlain Street, the former Belconnen bicycle training facility, and the public carpark on Swanson Court. Demolition works will commence this financial year.
- The urban renewal sites are subject to changes to zoning and planning controls proposed under Draft Variation to the Territory Plan No. 342 (TPV), given interim effect on 4 May 2018.

Background Information – may not be suitable for public disclosure

Block 29 Section 149 Belconnen

- The former water police facility was scheduled for release in the 2017/18 fy, but was withdrawn from the market in June 2018. The SLA will consider options for the site which will improve social, environmental and economic outcomes for the ACT Community, including activation opportunities. The Belconnen Community Council are not in favour of the release of this site prior to the redevelopment of the Emu Bank Precinct.

Blocks 40 and 41 Section 54 Belconnen

- The former Belconnen Health Centre is scheduled for release in the 2018-19 financial year for 30 dwellings. The sites are zoned CZ2 Business Zone with a 3 storey height limit. The SLA intends to demolish the former Belconnen health centre building, with work anticipated to commence in the 2018/19 financial year.

Block 2 Section 23 Belconnen

- The former Belconnen Police and Remand Centre site is located on the corner of Lathlain and Cohen Street. The former police station and remand centre building was demolished in 2016. The TPV has rezoned this site to CZ2 Business Zone with a height limit of 12 to 18 storeys.

Blocks 24 and 1 Section 21 Belconnen

- The former Fire and Ambulance stations are located on Lathlain Street. The TPV it has rezoned a section of this site CZ2 Business Zone with a height limit of 12 storeys, extended Walder Street through to Lathlain Street, and created a new public park fronting Lathlain Street. The SLA is currently working with JACS and the ACT Property Group to demolish buildings and complete remediation of on-site contamination.

Blocks 2 and 3 Section 22 Belconnen

- The former bicycle training centre and adjacent carpark are located between Purdue and Walder Street in the services trades zone. The TPV has rezoned a majority of this site CZ2 Business Zone with a 8 storey height limit. The redevelopment of the site will include the retention of parkland and existing mature trees on the eastern end of Block 3 Section 22 Belconnen. It is also anticipated that the redevelopment of the site will include a future public carpark.
- Section 21, 22 and 23 Belconnen are scheduled for release in the 2021-22 financial year for 500 dwellings. The Suburban Land Agency is considering utilising an estate development plan to manage the development of the sites.

Block 17 Section 152 Belconnen

- This site is the existing public carpark located on Swanson Court, opposite the Belconnen Community Service building. It is scheduled for release in the 2019-20 financial year for 550 dwellings. The site is currently zoned CZ2 Business Zone. The TPV has restricted the height limit to 20 storeys. The redevelopment of the site will include a public carpark.

Block 1 Section 151, Block 30 Section 52 and Block 26 Section 52 Belconnen

- These sites are located on the western end of Emu Bank, north of the Westfield Shopping Centre. All three sites are scheduled for release in the 2020/21 financial year for 500 dwellings. The TPV has zoned these sites CZ2 Business Zone with a 12 storey height limit.

Block 2 Section 200 Belconnen

- This site is the public carpark and open space area east of the Canberra Labor Club. The site was sold to NG Land Holding Nominee Pty Ltd (including GEOCON Group Pty Ltd) on 17 June 2015. Settlement of \$22.1 million on the land occurred on 27 May 2016.
- The sales documentation contains a Deed of Agreement that requires GEOCON to provide a replacement public carpark of 300 spaces as part of the redevelopment of the site. The Contract for Sale requires GEOCON to offer a first right of refusal to the Canberra Labor Club to negotiate an Agreement for Lease for these 300 car spaces. Negotiations on the Agreement for Lease between the GEOCON and the Canberra Labor Club are on-going.

Portfolio: Housing & Suburban Development

Urban Renewal

Budget Statement: E**Page No: 17****ISSUE: PUBLIC HOUSING RENEWAL TASKFORCE****Talking points:**

- The ACT Government is undertaking a program to renew 1,288 public housing properties by June 2019 to improve outcomes for public housing tenants and support the renewal of Canberra's urban areas.
- \$608 million has now been appropriated for the delivery of the public housing renewal program. The 2017-18 ACT Budget includes new commitments of more than \$31 million in 2017-18 and \$24 million over the years to 2019–20 to continue the public housing renewal program, particularly for the sale and replacement of 72 public housing properties at Gowrie Court (Narrabundah) and for ongoing Public Housing Renewal Taskforce costs. Coupled with forward estimates from previous years, there is a commitment of more than \$181 million in 2017-18.
- This funding also ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to improved accommodation. It builds on the allocations in the 2015–16 and 2016–17 Budgets for the redevelopment and replacement of Bega Court (Reid), Northbourne Flats (Braddon and Turner), Currong Apartments (Braddon), Stuart Flats (Griffith), Strathgordon Court (Lyons), and De Burgh Street – North and South (Lyneham).

Key Information

- The Public Housing Renewal Taskforce (Taskforce) continues its program to secure 1,288 replacement housing dwellings to support the ACT's Asset Recycling Initiative (ARI) agreement with the Commonwealth.
- As at 25 May 2018, 735 dwellings have been delivered to Housing ACT. This includes:
 - 387 dwellings constructed on Territory-owned land in Chisholm, Monash, Nicholls, Coombs, Moncrieff, Amaroo, Throsby and Denman Prospect.
 - 348 dwellings purchased in suburbs including Casey, Turner, Dickson, O'Connor, Palmerston, Moncrieff, Braddon, Bruce, Lyneham, Macquarie, Gungahlin, Greenway, Kambah and Bonner.

- As at 25 May 2018, 535 dwellings have been secured as follows, with a further 18 dwellings to be purchased from the private sector to make up the total 1,288 dwellings:
 - 335 dwellings are under construction, including:
 - Denman Prospect Block 23 Section 50 (24 public housing dwellings)
 - Greenway Block 5 Section 28 (25 public housing dwellings)
 - Gungahlin Block 1 Section 230 (32 public housing dwellings)
 - Gungahlin Block 4 Section 249 (32 public housing dwellings)
 - Holt Block 12 Section 52 (12 public housing dwellings)
 - Monash Block 15 Section 56 (30 public housing dwellings)(CFZ)
 - Taylor Block 9 Section 39 (26 public housing dwellings)
 - Taylor Block 5 Section 23 (6 public housing dwellings)
 - Taylor Block 3 Section 37 (32 public housing dwellings)
 - Taylor Block 1 Section 20 (5 public housing dwellings)
 - Taylor 26 single residential public housing dwellings
 - Throsby Block 2 Section 60 (25 public housing dwellings)
 - Throsby Block 3 Section 17 (24 public housing dwellings)
 - Throsby 10 single residential public housing dwellings
 - Wright Block 2 Section 29 (26 public housing dwellings)(CFZ)
 - 36 dwellings have received DA approval and are subject ACAT proceedings on Community Facility-zoned land:
 - Chapman part Block 1 Section 45 (20 public housing dwellings)
 - Holder part Block 2 Section 21 (16 public housing dwellings)
 - Mawson Block 29 Section 36 (8 public housing dwellings) – Received DA Approval on 9 May 2018. The representation period for appeals will end on the 7 June 2018 with no appeals received to date
 - A further 156 dwellings are being purchased through the Taskforce’s Expression of Interest process and through reimbursement to Housing ACT.
- The Taskforce has identified all sites on Territory-owned land that will be used for the public housing renewal program. There are no further sites on Community Facility-zoned land proposed for the public housing renewal program.
- 202 dwellings have been secured in suburbs adjacent to Northbourne Avenue.
- Each public housing tenant relocated through the renewal program has a say in deciding where they would like to live. Many of these tenants choose to remain in the area while others prefer other parts of Canberra that better suit their particular circumstance. Engagement continues with tenants at the multi-unit properties at Stuart Flats and Lyneham and De Burgh with the following tenancies remaining as at 22 May 2017:
 - Stuart Flats – 21 Tenancies remaining to relocate.
 - Northbourne Flats – Turner and Braddon – All Tenancies relocated.
 - Lyneham and De Burgh – Tenant Engagement Commenced.

Background Information – may not be suitable for public disclosure

- Nil.

ISSUE: AFFORDABLE HOUSING AND THE DEVELOPMENT OF A NEW HOUSING STRATEGY

Key Messages:

- Despite Canberra being the most affordable city in Australia, the Government is aware of the difficulties low income families face in accessing affordable housing.
- The Government has worked closely with the community and industry over the course of 2017 in developing a new Housing Strategy. A key part of consultation was the Housing and Homelessness Summit 'Our Canberra, Our Home' on 17 October 2017.
- Ahead of the release of the new Housing Strategy later in 2018, the ACT Government has already introduced new reforms, programs and funding initiatives targeted to those experiencing housing stress.

Talking Points:

- Following an extensive consultation period, the new Housing Strategy is focused around five goals:
 - providing an equitable, diverse and sustainable supply of housing for the ACT community,
 - reducing homelessness,
 - strengthening social housing assistance,
 - improving affordable rental options, and
 - increasing affordable home ownership.
- Initiatives include establishing targets for affordable, public and community housing; introducing eligibility criteria for purchasers of affordable homes; and supporting the Innovation Fund to deliver new innovative approaches affordable housing.
- The ACT demonstration housing initiative is also looking at how improvements could be made through planning processes, design and sustainability outcomes and a range of housing types and options.

Background Information – may not be suitable for public disclosure

- The development of a new Housing Strategy is a 2016 Government Election Commitment. The ACT Government’s Affordable Housing Action Plan (AHAP) has been in place since 2007.
- The lessons learned from the three phases of the AHAP over the last 10 years support the need for Government to re-target and re-focus its efforts in the new strategy to address housing market gaps for lower income households.
- The ACT Government hosted a comprehensive community engagement program to assist in the development of a new strategy.
- The community engagement was guided by advice from the Affordable Housing Advisory Group, consisting of selected key industry stakeholders. This group has met eleven times since May 2017.
- Formal consultation with the public was undertaken until 15 September 2017. This engagement included focus groups and workshops with targeted stakeholder groups, as well as a series of public information stations in Belconnen, Tuggeranong, Canberra City, Cooleman Court, Gungahlin Town Centre and Dickson. An infographic about the consultations is at [Attachment A](#).
- Details of the engagement were presented and explored at the Housing and Homelessness Summit on 17 October 2017 with almost 200 industry representatives and stakeholders in attendance. A report on the community engagement “*What we heard – Developing a new Housing Strategy for the ACT*” was tabled in the Assembly and released on 20 March 2018.
- The Strategy will have a deliberate focus on strengthening existing supports for low income households in income quintile one (Q1), earning up to \$55,000 per annum, and providing greater support for households in income quintile two (Q2), earning up to \$100,000 per annum. As a cohort, Q2 households are at greatest risk of experiencing housing stress.

Early actions for Affordable Housing

1. Establishment of Targets

- In order to maintain an adequate supply of affordable housing options and improve the geographic spread and diversity of affordable housing, a target of affordable, public and community housing sites will be released annually from within the Government’s infill and Greenfield land release program.
- These targets are a requirement of the *City Renewal Authority and Suburban Land Agency Act 2017* and are published annually alongside the Indicative Land Release Program.

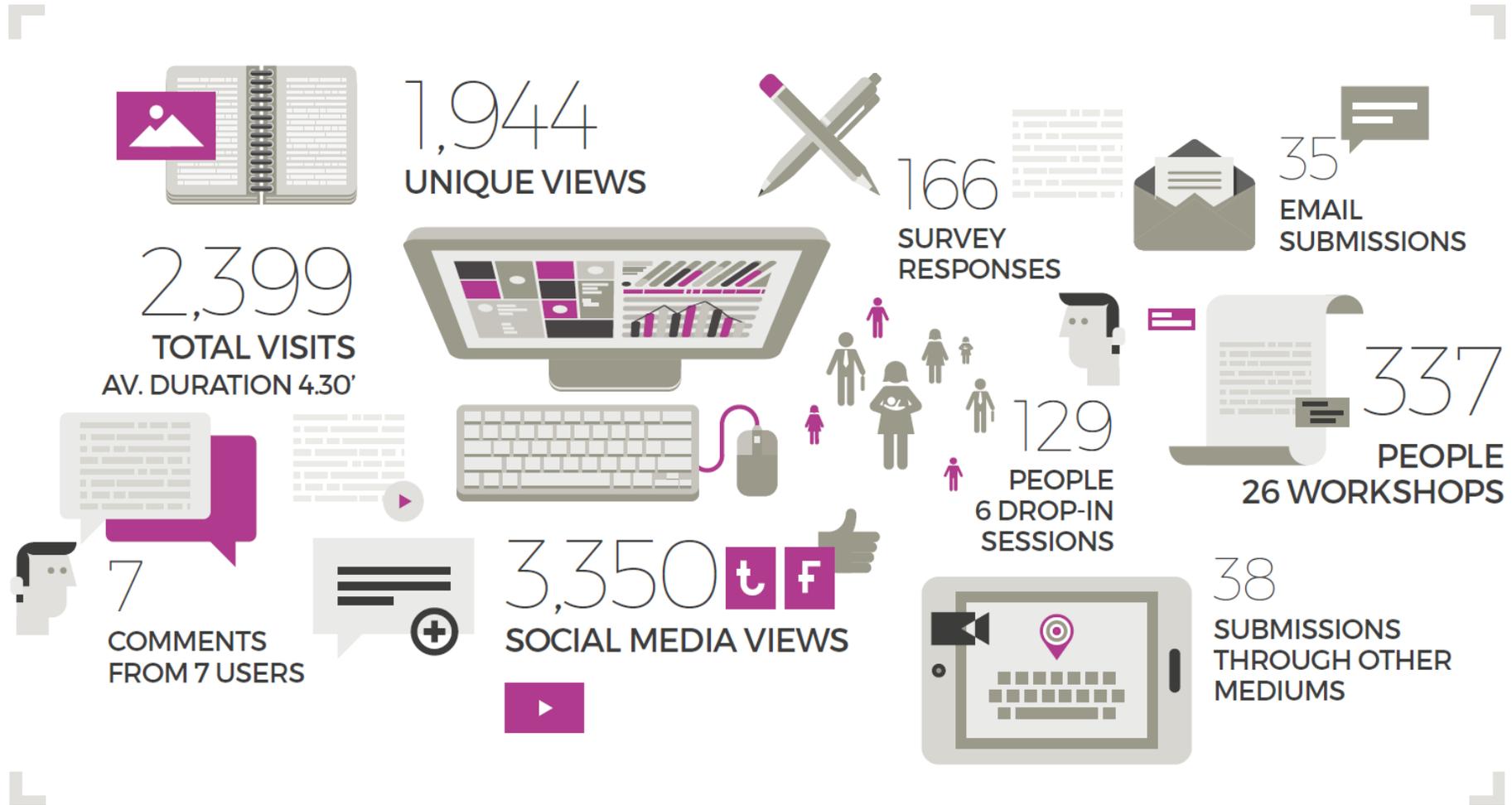
2. Introduction of Eligibility Criteria

- To ensure the dedicated affordable homes under the targets are purchased by people in the lowest 2 income quintiles, the Government has introduced clear eligibility criteria, aligned with the Government’s decision to refocus assistance to households on low to moderate incomes.
- The ACT Government rebased the affordable housing price thresholds to reflect growth in incomes within the target cohort.
- The eligibility criteria to purchase dedicated affordable housing and current (2017-18) and proposed (2018-19) sale price thresholds are at [Attachment B](#).

3. Creation of an Affordable Home Purchase Database

- The establishment of a Home Purchase Registration Database enables dedicated affordable housing to be better controlled, with sales of these homes available only to approved registered households. Over 700 people have registered on the database to date (as at 20 June 2018).

Attachment A: Community engagement snapshot



Attachment B: Eligibility Criteria to purchase affordable housing in the ACT

Eligibility criteria

To be eligible for Affordable Home Purchase you must:

- be at least 18 years old
- be an Australian resident
- have a total gross income for all applicants (including domestic partners) of less than \$100,000, for households of up to 2 children, increasing by \$16,000 per child up to a capped maximum of \$148,000 for 5 or more children
- not own, or not have owned in the last 2 years, any property (including other homes, land or commercial properties, such as a shop)
- have at least 1 applicant who will live in the home continuously for 12 months
- register on the Affordable Home Purchase database.

Affordable Home Purchase Sale Price Thresholds

Dwelling size (net living area)	2017-18 Price Thresholds	2018-19 Proposed Price Threshold
Up to 80m ²	\$323,000	\$330,000
Between 81 and 105m ²	\$374,000	\$381,000
Greater than 105m ²	\$425,000	\$434,000

Portfolio: Housing & Suburban Development

ISSUE: Urban and Rural Land Acquisitions by the Suburban Land Agency and the City Renewal Authority

Key Messages:

- Between 1 July 2017 and 31 March 2018 the Suburban Land Agency acquired one property, Block 1600 Belconnen on Stockland Drive in Holt at a cost of \$4.6 million. The purchase was commenced under the previous acquisition framework for the purpose of establishing a second electricity station for the ACT.
- The City Renewal Authority made no acquisitions over the same period.

Background Information – may not be suitable for public disclosure

Current Legislation – CRASLA Act 2017

- Under the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), which took effect on 1 July 2017, both the City Renewal Authority (CRA) (section 13) and Suburban Land Agency (SLA) (section 43) are required to submit quarterly reports, not later than 10 working days after the end of a quarter, that include:
 - details of any land acquired by the authority/agency during the quarter; and
 - a copy of all valuations of the acquired land that the authority/agency considered in relation to the acquisition; and
 - any other information prescribed by regulation for the report.
- Thereafter, the Minister must present the report to the ACT Legislative Assembly not later than five (5) sitting days after the day the Minister receives the report.
- The Act also requires that the CRA (section 14) and SLA (section 44) prepare an annual report under the *Annual Reports (Government Agencies) Act 2004*.
- However, under the Act only the CRA's annual report must:
 - include any Statement of Expectations and Statement of Operational Intent in effect during the reporting year; and
 - report on the extent to which the Statement of Operational Intent in effect during the reporting year was met during the reporting year; and
 - if the Statement of Operational Intent was not met in whole or in part during the reporting year—give reasons why the statement of operational intent was not met.

CRA

- The Disallowable Instrument DI2017-261 for CRA land acquisitions requires that a business case be prepared for the responsible Minister with a detailed analysis of:
 - Financial implications of the land;

- Land valuations provided to and obtained by the City Renewal Authority;
- Current and future status of the land under the Territory Plan, including any conditions on the head lease;
- The purpose for which the land is being acquired, including how the proposed acquisition meets the requirements of:
 - The *City Renewal Authority and the Suburban Land Agency Act 2017*
 - The Territory Plan;
 - The Statement of Strategic Directions;
 - The Statement of Planning Intent;
 - The Statement of Expectations;
 - The Statement of Operational Intent; and
 - Other relevant government policies relating to land.

SLA

- The Disallowable Instrument DI2017-262 for SLA land acquisitions also requires that a business case be prepared for the responsible Minister with various detailed supporting analysis. However, unlike the CRA, the SLA are not required to include analysis of how the proposed acquisition meets the requirements of The Statement of Expectations or Statement of Operational Intent, as they are not required under the Act.

Land Acquisitions (Reporting Requirements) Amendment Bill 2018

- On 15 February 2018, the Leader of the Opposition, Mr Alistair Coe MLA introduced into the ACT Legislative Assembly a Private Members Bill - the Land Acquisitions (Reporting Requirements) Amendment Bill 2018.
- The Bill would require the Minister to present quarterly reports to the Assembly and the relevant committee on all acquisitions undertaken by ACT Government entities. Under the *Lands Acquisition Act 1994* acquisitions made by agreement (section 32) or compulsory acquisitions (section 33) prompt certain notification procedures, such as legislative instruments and statements in the Assembly.
- The new reporting mechanism in the Bill would capture those acquisitions, as well as those which fall under the exception in section 18 (1) (d) of the existing legislation where the acquisition is effected by an agreement made when there was no pre-acquisition declaration or certificate under section 21 in force relating to the acquisition.

The Government is currently considering the Bill.

ISSUE: **FOUR YEAR INDICATIVE LAND RELEASE PROGRAM**

Key Messages:

- Over the next four years the Government will release land for 17,000 dwellings in both greenfield and urban locations.
- This level of release is above the projected level of demand in order to provide the development sector with an inventory of sites such that it can adequately respond to changes in market demand.
- For 2018-19, the Government will release land for 552 dedicated public, community and affordable dwellings, targeted to low income households.

Talking Points:

- A key objective of the Government's land supply strategy is to make sure enough residential, commercial, community and industrial land is released to the market to cater for our City's growth.
- Canberra's population is growing at around 7,000 people each year, generating underlying demand for just under 3,000 new homes each year.
- The 2018-19 to 2021-22 Indicative Land Release Program targets the release of:
 - Land for 17,000 homes, including:
 - more than 4,000 new dwellings each year; and
 - more than 5,100 single residential blocks.
- The location of releases is guided by:
 - the policy principle within the ACT Planning Strategy of targeting 50 per cent of land release in greenfield areas and 50 per cent in urban areas.
 - The release of all available single residential blocks of land over the year in response to unmet demand for this product, and
 - the availability of developable unleased Territory land in specific locations.
- 56 per cent of residential releases or about 9,590 dwellings are in new suburban estates. This equates to a program of:
 - 4,644 dwellings in the Gungahlin district;
 - 3,920 dwellings in Molonglo Valley; and
 - 1,200 dwellings in Belconnen (in the Ginninderry joint venture).

- 4,060 dwellings are programmed for release in 2018-19. , including more than 1,100 single residential blocks across five suburbs. This level and mix of release ready land responds to the relevant structure plans, estate development plans and the Territory Plan which identify specific land types within the various residential zones.
- For 2018-19 the Government has set housing targets to deliver 552 dedicated public, community and affordable dwellings, including:
 - 472 dwelling sites for affordable home purchase to eligible households;
 - 60 identified public housing sites, and 20 community housing sites.
- 236,990 m² of mixed use releases over the next four years reflects the Government's focus on urban renewal and building an efficient city.
- 117,500m² of commercial releases over the next four years will capitalise on our investment in light rail and bring shops and services to new suburbs.
- 333,000 m² of community land release provides for three new government school sites, a non-government school site, aged care and a range of community uses.
- 110,000m² of industrial land over the next four years is proposed in four industrial estates.

Key Information

- The 2017-18 to 2020-21 Indicative Land Release Program proposed a four-year release target of 16,250 residential dwelling sites.
- 47 per cent of residential releases or about 7,665 dwelling sites in greenfield estates. This equates to a program of:
 - 3,440 dwelling sites in the Gungahlin district;
 - 3,025 dwelling sites in Molonglo Valley; and
 - 1,200 dwelling sites in Belconnen (in the Ginninderry Joint Venture).
- 264,100 m² mixed use target over the four year Program included releases along Northbourne Avenue (including the sale of sites as part of the Asset Recycling initiative in Braddon, Turner, Lyneham), City, Kingston Foreshore, Wright and the Gungahlin and Belconnen town centres.
- The four-year commercial Program target of 120,970 m² included releases in Gungahlin town centre, the three remaining sites in the City as part of the ANUX Precinct Deed, and new commercial centres in new suburbs and releases in established areas.
- The four-year industrial program target of 160,000 m² lists land in four industrial estates: Hume; Symonston; Fyshwick; and Pialligo.

- The community and non-urban program target of 323,240 m² of land provides for three new government schools, a non government school and a range of community land uses over the four year Program

Background Information – may not be suitable for public disclosure

2016-17 Land Release Targets and Outcomes 2017-18 Targets and *Draft Outcome*

	Residential Dwelling Sites	Mixed Use site area(m ²)	Commercial site area(m ²)	Industrial site area(m ²)	Community site area(m ²)
2016-17 Published Targets	4,550	86,219	12,811	30,000	131,404
2016-17 Outcome	4,907	125,340	16,645	29,935	129,039
2017-18 Published Targets	4,120	77,000	24,070	30,000	56,200
2017-18 <i>Draft Outcome</i>	4,266	97,161	1,070	24,538	63,254
2018-19 Published Targets	4,060	34,346	1,559	20,000	87,520

Portfolio: Housing & Suburban Development

ISSUE: GROWING THE COMMUNITY HOUSING SECTOR**Key Messages:**

- The ACT Government remains committed to growing the community housing sector in a sustainable way.
- The ACT has introduced new community housing targets as part of the Government's annual Indicative Land Release Program with 54 sites set aside from the past two programs.
- Following early consultation with the community housing sector, the Government is taking an initial conservative approach to a community housing target to take into account the current development and financial capacity of the sector.

Talking points:

- The Parliamentary Agreement for the 9th ACT Legislative Assembly includes a commitment to grow and diversify the community housing sector.
- The community housing sector provides a range of social housing and affordable rental options, ranging from 25 per cent of income through to 75-80 per cent of market rents. As such, they are an important part of the housing continuum in supporting people on lower incomes who are struggling to pay rents in the private rental market.
- For 2017-18, 34 dwelling sites were identified from the land release program and set aside specifically for registered community housing providers to deliver additional affordable rental dwellings.
- For 2018-19, 20 dwelling sites have been set aside for the community housing target.
- We know the community housing sector has been growing at a very modest rate in the ACT – approximately 12-13 properties per year according to census data, with a total dwelling stock of approximately 665 properties reported in the 2016 census.
- While our 2017-18 and 2018-19 community housing targets may appear low, the Government had to take a conservative approach following early consultation with the community housing sector.
- We need to take into account the development and financial capacity of the sector to deliver and grow off this relatively low base, and low rate of existing growth.

- Recent research by AHURI shows that setting aside dedicated Government land for affordable housing, particularly affordable housing developed and managed by community housing providers, is an important contributor to helping these projects succeed.¹
- Importantly both development sites set aside for community housing in 2018-19 are within urban renewal areas, ensuring that the properties will be located closer to existing services and transport links.
- The ACT Government is exploring other ways to support the community housing sector as part of the development of the new ACT Housing Strategy.

Key Information

- Under section 65 of the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act), relevant Ministers are required to set community housing targets for residential development in an urban renewal precinct, within an urban renewal area other than in an urban renewal precinct, and in new suburbs.
- The community housing sites will be released via Expression of Interest to registered community housing providers to deliver affordable rental dwellings.
- Table 1 details the breakdown of community housing targets for 2017-18 and 2018-19 according to responsible ministers.

Background Information – may not be suitable for public disclosure

- For 2018-19, two sites have been identified in Scullin and Giralang for the community housing target. Both of these sites are currently ACT Property Group sites identified for disposal and therefore do not appear in the 2018-19 to 2021-22 Indicative Land Release Program for release via the Suburban Land Agency.
- In calculating the 2018-19 target, the reference group considered the existing proportions of public, community and affordable purchase homes either built or planned in the relevant suburbs.

Table 1: 2017-18 and 2018-19 Community Housing Targets by Suburb and Individual Site, according to ministerial responsibility

Suburb	Block/Section or Location Description	2017-18 Community Housing Sites	2018-19 Community Housing Sites	Total Sites
Urban renewal precinct (Chief Minister)				
Nil				
Urban renewal other than in an urban renewal precinct (Minister for Urban Renewal)				
Scullin				
Giralang				
New suburbs (Minister for Housing and Suburban Development)				
Lawson	Sections 5, 13			
Strathnairn	Multiple sites			
Total Sales				

¹ Randolph, B., Troy, L., Milligan, V. and van den Nouweland, R. (2018) *Paying for affordable housing in different market contexts*, AHURI Final Report No. 293, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/293>, doi: 10.18408/ahuri-7113301, p.42.

ISSUE: HOUSING AFFORDABILITY: HOW AFFORDABLE IS HOUSING IN THE ACT?

Key Messages:

- The ACT does well on many measures of housing affordability, and experiences comparatively low levels of housing stress (generally defined as paying more than 30 per cent of household income on rent or mortgage costs).
- However, because of Canberra's low unemployment and comparatively high average wages, the overall prosperity of the ACT can conceal disadvantage at the individual level.
- The 2018 Report on Government Services showed that a third of low income (bottom 40% of incomes) rental households in the ACT were in rental stress (8,672 households, or 33.8%), and the rate was even higher for private rental households (47.8% or 7,960 households).

Talking Points:

- The 2016 census shows that the proportion of households in the ACT in mortgage stress fell from 7.8 to 5.5 per cent over the previous five years, while the proportion in rental stress remained steady at around 8 per cent.
- In the March quarter 2018, the ACT continues to be the most affordable jurisdiction to buy. In terms of rental affordability, the ACT is the second most affordable state to rent, behind Western Australia (Source: REIA Housing Affordability Report, March Quarter 2018).
- The ACT Government is therefore particularly aware of the need to re-focus its efforts on addressing housing market gaps for households in the lowest 40 per cent of incomes, earning up to \$100,000 per annum.
- This is why we are also working on a new ACT Housing Strategy – to build on the ACT Government's demonstrated commitment over many years to creating a diverse, sustainable and affordable supply of housing for the ACT community.

Talking Points:

- In the December quarter 2017 the median price of a free standing house settled in the ACT was \$705,000, an increase of 13.7 per cent from the previous 12 months.

- In the same quarter, the median price of settled units (including townhouses) was \$450,000, an increase of 1.1 per cent from the previous 12 months.
- In the past five years, unit prices have shown slow growth relative to house prices. It is likely that this trend will continue given the substantial forthcoming supply of multi-unit dwellings in Canberra.
- The ACT's 150,000 households are divided into income quintiles and analysis by my Directorate (EPSDD) in 2017 showed that for households earning above \$100,000, affordable rents start at \$579 per week and an affordable mortgage enables the purchase of a home starting at \$483,000.
- At these levels there are many homes available on the private market, suggesting that Government focus should be on supporting those households with incomes below \$100,000.

Background Information – may not be suitable for public disclosure

- [Attachment A](#) shows trends in median house and unit prices over the last five years (Figure 1), and the House and Unit Settlements by Price Category over 12 months to December 2017 (Table 1).
- The Attachment also shows the ACT Income Quintile Distributions and the Affordable Rent and Mortgage Payments for each Quintile, as at 2017 (Figure 2).
- Based on updated calculations in June 2018 to analyse distributions for house and unit settlements for the 12 months to March 2018 (Figures 3 and 4), and updated income quintiles to account for Wage Price Index growth (Table 2), no house settlements, and about 10 per cent of unit settlements fell within the affordable range for households in quintile 1 (Figure 5).
- Around one quarter of house settlements and 78 per cent of unit settlements fell within the affordable range for households in quintile 2 (Figure 5).
- A copy of a Treasury Economic Indicator Brief on the REIA Housing Affordability Report, March Quarter 2018 is at [Attachment B \(however this report is subject to copyright restrictions and not for distribution outside the ACT Government\)](#).

SGS Economics and Planning Rental Affordability Index Report May 2018

- The SGS report finds that ACT households spend 23 per cent of their income on rent. This is a Rental Affordability Index score of 128, which SGS Economics classifies as an acceptable level of affordability for households.
- The ACT has experienced a slight decrease in affordability over 2017, but has consistently delivered rents falling within the 'acceptable range' since fourth quarter 2014.
- The SGS report found that the ACT was the second most affordable capital city, behind Perth and slightly more affordable than Melbourne.
- However the report also notes that low income households face challenges as rents are pushed up by the ACT's high income workforce. The ACT Government acknowledges this challenge and is working to address it in the new Housing Strategy.

Figure 1: Median Settlement Prices of Houses and Units, ACT

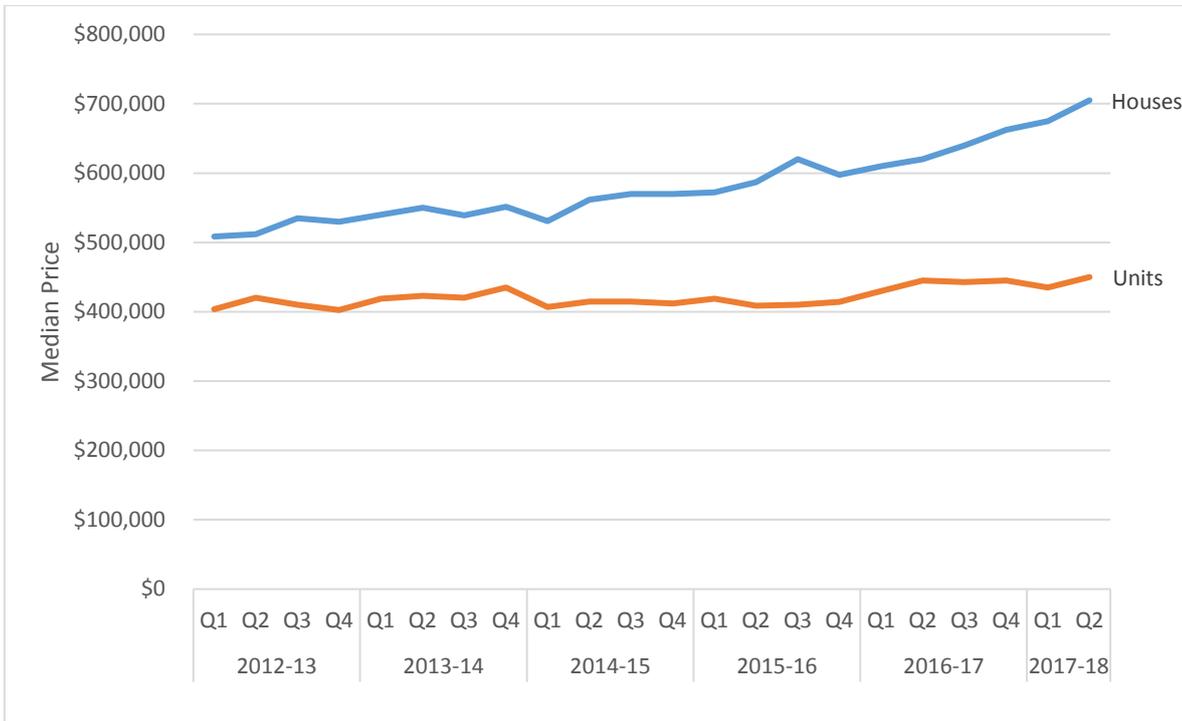


Table 1: House and Unit Settlements by Price Category, 12 Months to December 2017

Price Range	Houses (Settlements)	Houses (% of Total)	Units (Settlements)	Units (% of Total)
\$0-\$200k	-	-	32	0.6%
\$201k-\$300k	-	-	505	10.0%
\$301k-\$400k	83	2.1%	1380	27.3%
\$401k-\$500k	614	15.4%	1447	28.7%
\$501k-\$600k	811	20.4%	730	14.5%
\$601k-\$700k	763	19.2%	380	7.5%
\$701k-\$800k	586	14.7%	211	4.2%
\$801k-\$900k	382	9.6%	128	2.5%
\$901k-\$1.0m	236	5.9%	72	1.4%
\$1.0m-\$1.1m	110	2.8%	46	0.9%
\$1.1m-\$1.2m	88	2.2%	26	0.5%
\$1.2m-\$1.3m	75	1.9%	29	0.6%
\$1.3m-\$1.4m	59	1.5%	22	0.4%
\$1.4m-\$1.5m	42	1.1%	13	0.3%
> \$1.5m	129	3.2%	25	0.5%
Total	3,978	100.0%	5,046	100.0%

Figure 2: 2017 ACT Income Quintile Distributions and Affordable Rent and Mortgage Payments

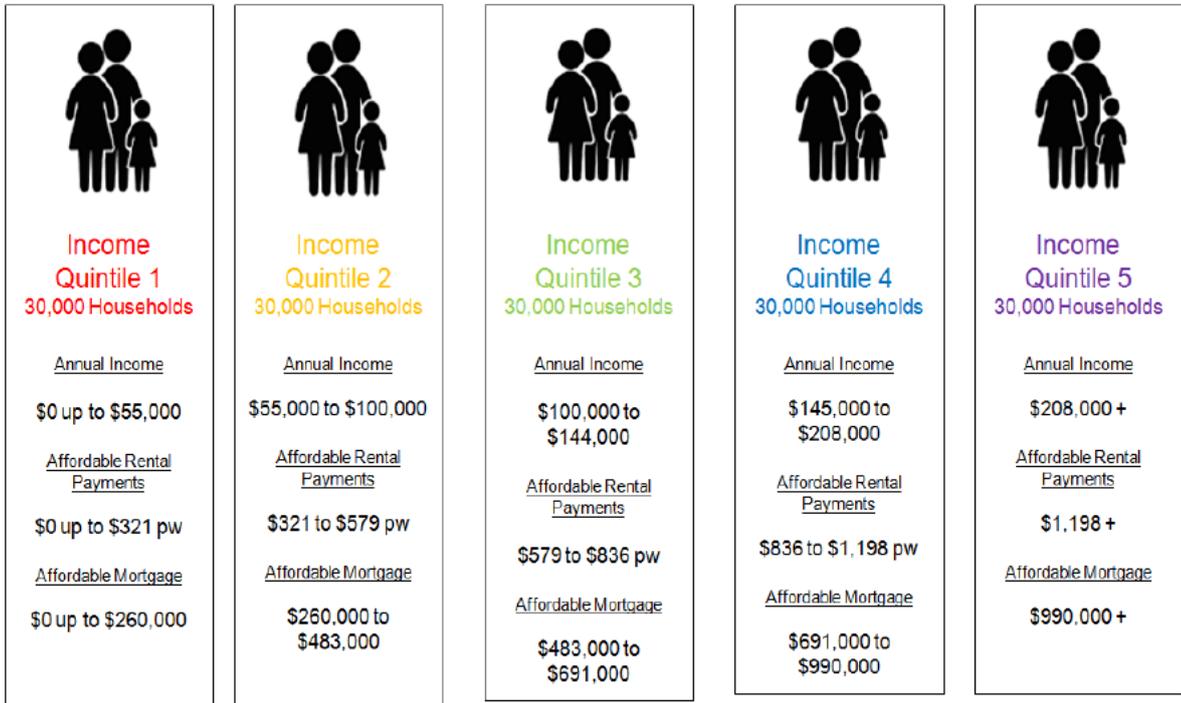


Table 2: Updated Income Quintiles 1 and 2 to account for Wage Price Index growth, as at June 2018

	Gross Annual Income	Monthly Income	30% Monthly Income for Housing	Maximum Weekly Rent	Max Affordable Loan	Total Property Value with 10% deposit
Quintile 1	\$58,000	\$4,833	\$1,450	\$363	\$274,705	\$305,228
Quintile 2	\$104,000	\$8,667	\$2,600	\$650	\$502,033	\$557,814

Note: Max affordable loan figure assumes a 25 year loan period and a 4% interest rate.

Figure 3: House Settlements in the ACT by Price Range, 12 months to March 2018

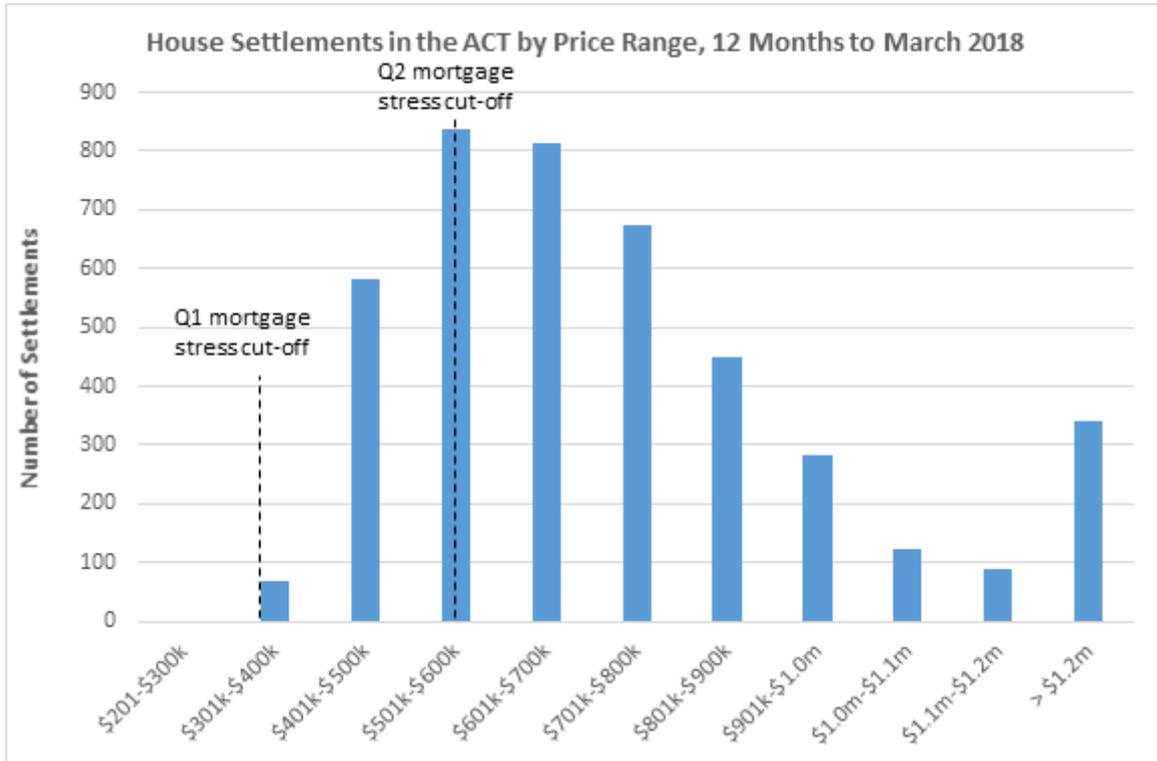


Figure 4: Unit Settlements in the ACT by Price Range, 12 months to March 2018

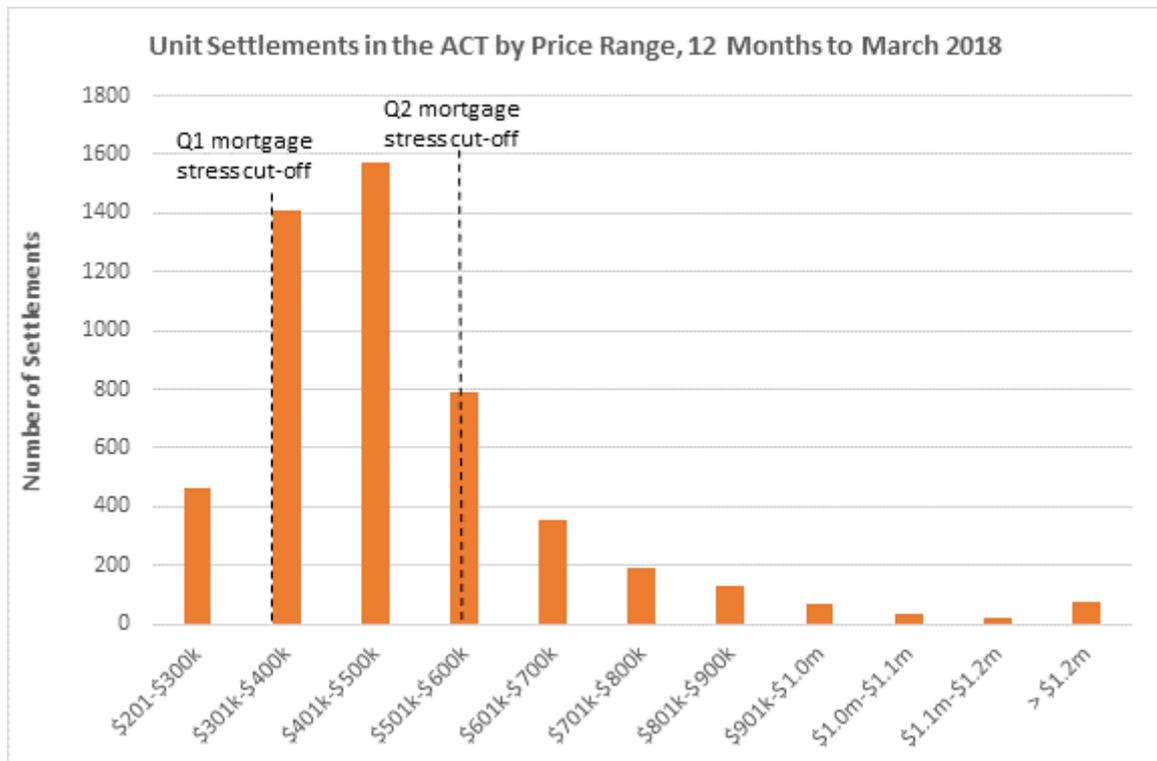


Figure 5: Property Settlements in the ACT by Income Quintile Affordability

