



Inquiry into Annual and Financial Reports 2023–2024

Answer to question taken on notice

Asked by: Jo Clay MLA

Addressed to: Chris Steel MLA, Minister for Planning and Sustainable Development

In relation to: Number of DA approvals versus the number of dwelling approvals, and any modelling or projections for these numbers into the future.

Hearing: **18 February 2025**

Uncorrected Proof Transcript: **UPT 18/02/25, pp 2-4.**

Transcript provided: 21 February 2025

Answer Due: 28 February 2025

Chris Steel MLA, Minister for Planning and Sustainable Development took on notice the following question(s):

We will begin now. I will start with the first question. Minister, I want to have a chat about DA approvals and the rate of DA approvals. According to ABS, only 2,180 dwellings were approved in 2024. That compares to 4,340 in 2023 and 5,561 in 2022, and I would say our regular rate of DA approvals is usually 4,500 to 5,000 year by year. So only 1,255 DAs in 23 24, down from what we had in 22 23, and our building approvals were also down to 1,259. Can you tell me what is going on with our approvals?

Mr Steel: I think it is probably a symptom of broader market forces. We have seen as a result of macroeconomic factors both the very large increase in the cost of building, in terms of building materials and also the cost of labour in a tight labour market. That has impacted on what we are seeing coming through the planning system. We have also, of course, during the recent times had a change in the planning system as well, so there has been a level of the industry getting used to making applications under the new system as well, so there has been both change in terms of regulation but also obviously the market conditions at the moment are challenging for the construction sector.

THE CHAIR: Sure. In relation to the market conditions, is our downturn similar to the downturn you are seeing in New South Wales, Victoria, other regions, given that we are all in the same—

Mr Steel: There has been a drop in other jurisdictions as well. Of course, the other factor is interest rates, which have remained fairly consistently high, and so that has affected both the financing of projects for business, but also of course it has affected the demand side as well.

THE CHAIR: Is the drop in other jurisdictions the same magnitude as the drop in our jurisdiction?

OFFICIAL

Mr Steel: There would be some differences in that, but the data is available through the ABS in particular on building commencements and so forth.

THE CHAIR: According to the housing coordinator in our last session, residential dwelling investment in 25 26 is expected to pick up in 25 26. That is what we were told last week. I am wondering—that is still not this year. That is another year off. Does that mean our approvals in 24 25 are still low?

Mr Steel: We can provide some data about approvals for 24 25.

Mr Green: I am happy to provide some context. Ben Green, Executive Group Manager, Planning and Urban Policy, Environment, Planning and Sustainable Development Directorate. I have read and acknowledged the privilege statement.

I think, Ms Clay, there is a pipeline, and some recent data reported by the ABS indicates the number of dwelling approvals but not commenced rose by 10.2 per cent for the fourth quarter compared to the same quarter last year, so that equates to around 1,100 approved homes are waiting commencement, so there is a large amount in the pipeline. I think that goes to some of the points the minister was making around the economic settings, less so the planning and development elements.

THE CHAIR: Thank you, Mr Green. Can I just check. You said 1,100 DAs approved in the last quarter.

Mr Green: Not development applications. I am not referring to development applications. I am referring to reporting via the Australian Bureau of Statistics where they have indicated 1,155 approved homes are waiting commencement. That may well be developments that are exempt from development approval, it might be developments that are approved, it may be some that have got building approval but are yet to actually get a commencement notice. I do not have that level of data here, but there is an indication that there is work in the pipeline, and the industry is waiting for those more favourable economic conditions.

THE CHAIR: Have you been doing any modelling or projections, given that we dropped in about half in the annual reporting period? Have you done any modelling or projections of what rate we are likely to see this year and then in 25 26?

Mr Ponton: Ms Clay, if I could. Ben Ponton, Director General, Environment, Planning and Sustainable Development Directorate. I should just note that Mr Cilliers, who is the Chief Planner, has just been delayed and he will be here in a few minutes, but he can talk a bit more about this shortly. I have read and acknowledge the privilege statement.

The figures that Mr Green is talking about are dwelling numbers. The figures you are talking about are DA numbers. This is what I think Mr Cilliers could talk a little bit more about, but what we are seeing is less DA numbers, but there is more mixed use development, so therefore the number of dwellings—we are not comparing apples and apples if you talk about DA numbers versus dwellings, because we are getting more dwellings being approved, less DAs, because of the government's policy around 70/30.

THE CHAIR: Sure. I wonder if you can provide the data on DA approvals and also dwelling number of approvals, because I understand you might lodge a DA for an apartment building and there could be quite a lot in there, or for a set of townhouses, so the number of DAs is not the only or key figure, it just happened to be the one that probably government is closest to.

OFFICIAL

Mr Ponton: In terms of DAs, I am sure that Mr Cilliers would be able to provide that. I could not be certain in relation to the number of dwellings whether that is captured and readily available.

THE CHAIR: Sure. Noting that Mr Cilliers is not here, do you think maybe government could take on notice the DA and dwelling numbers?

Mr Ponton: DA numbers, certainly. Dwelling numbers if it is readily available.

THE CHAIR: Sure. For what period would you be taking that on notice, Mr Ponton?

Mr Ponton: What period would you like, Ms Clay?

THE CHAIR: I would love to get those figures to current, and then if you have modelling or projections, we would love to see the modelling or projections. If you do not have modelling or projections, we would love to know why you do not do modelling or projection.

Mr Ponton: Sure.

Chris Steel MLA, Minister for Planning and Sustainable Development: The answer to the Member's question is as follows:

The total number of development applications (DAs) lodged with the Territory Planning Authority (the Authority), within the 2023-2024 period, was 788.

Out of the 788 DAs lodged, 231 DAs were for new dwellings, multi dwelling, units, townhouses or secondary residences. These DAs proposed a total of 3147 individual residences/dwellings. This does not include dwellings that were exempt from requiring development approval.

As part of the planning system review and reform project, opportunities for future housing were projected. Projecting uptake of available development opportunities is difficult for several reasons, including uncertainty in economic conditions, changing societal preferences and government intervention in land use policy. The District Strategies, volume one, provides a useful summary of indicative expected opportunity by district and can be found in table two at [District Strategies 2023 Volume 1 - Metropolitan Context and Big Drivers](#).

Approved for circulation to the Standing Committee on Environment, Transport and City Services

Signature:



Date:

28/2/25

By the Minister for Planning and Sustainability, Chris Steel MLA