



Government
Response to the
Report of the
Select Committee on Estimates 2014-2015
on

*Recommendation 123 – Provide a report to the
Legislative Assembly for the end of 2014 on Progress on
addressing issues in relation to the Parkwood Road
Recycling Estate.*

Andrew Barr MLA
Minister for Economic Development
November 2014

Background

In June 2012 the Auditor General delivered a performance audit report into the Management of Recycling Estates and E-Waste. The report contained nine recommendations, of which four specifically related to the ACT Property Group (ACTPG) in relation to the management of the Parkwood Road Recycling Estate (PRRE).

In addressing the recommendations ACTPG has been working with the tenants at PRRE, represented by the Parkwood Tenants Group (PTG), to introduce new licence agreements that bring the rent charged up to market rates and implements improved stockpiling requirements.

Issues

The outcome of these discussions is that tenants whose rent is up to date, who are not over stockpiling materials and who keep their lots in good order and condition will be offered new five year licence agreements.

Licence renewal negotiations with the tenants at Parkwood commenced in May 2013, with information sessions followed by ACTPG writing to all tenants providing a draft licence agreement and information on the future management arrangements. ACTPG commissioned two market rental valuations to be used in developing a fair market rental.

The PTG were not happy with the rates proposed and commissioned their own valuation. This valuation provided sliding scale rate per square metre with larger lots attracting a lower rate per square metre than smaller lots. ACTPG has agreed to use this model for the rent arrangements at PRRE.

ACTPG will shortly commence negotiations with individual tenants on the following basis:

- Offer a new agreement of five years to those tenants not in arrears and whose lot is well managed.
- Advise tenants when work is required to bring their lot to an acceptable standard before being offered a new licence.
- Advise those tenants deemed not suitable to remain at PRRE.

ACTPG, with the assistance of the ACT Government Solicitor, has taken action against five occupants at Parkwood that has seen the reclaiming of 12 lots. ACTPG is working with the liquidator of one of these tenants in relation to the stockpile and equipment remaining on their lot. For a number of other lots the *Uncollected Goods Act 1996* applies and ACTPG will auction the saleable items remaining in late 2014 or early 2015.

Comments on action against or negotiations with individual tenants is not provided due to legal and privacy concerns.