



## Chief Minister

Treasurer

Minister for Social Inclusion and Equality

Minister for Tourism and Special Events

Minister for Trade, Industry and Investment

Member for Kurrajong

20/03924

Mrs Giulia Jones MLA

Chair

Standing Committee on Justice and Community Safety (Legislative Scrutiny Role)

ACT Legislative Assembly

GPO Box 1020

CANBERRA ACT 2601

Dear Mrs Jones

I write in response to the Standing Committee on Justice and Community Safety's (the Committee's) Scrutiny Report 49 of 18 August 2020. This letter specifically addresses comments made by the Committee on the City Renewal Authority and Suburban Land Agency Amendment Bill 2020 (the Bill).

The primary intention of the Bill is to both protect and strengthen the heritage value of the Sydney and Melbourne Buildings. Encouraging their owners to restore and maintain their properties to an acceptable physical condition will have direct economic and social benefits for the city centre. Canberrans and visitors to the city will be attracted to the revitalised buildings, increasing footfall and in turn increasing patronage to the many small businesses located in them.

Improving the appearance and presentation of the publicly accessible sections of the privately leased areas (the colonnades) will lift the amenity and property value of the buildings as a whole. The current inconsistent condition of the buildings is adversely affecting their appeal as a retail destination, which in turn impacts on the economic vitality of Civic, detracting from the renewal effort. The failure of some building owners to maintain their properties to an acceptable standard, particularly given their significance as registered heritage buildings in a prominent location, tarnishes the image of the National Capital's city centre. As the owners of registered heritage assets, the lessees have an individual and collective obligation to keep them in a condition commensurate with their significance.

It is not the intention of the Bill to explicitly add to the value of the public assets, noting however these assets such as outdoor cafes on the surrounding verges support the community, the building owners and their tenants.

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In considering the implementation options for the revitalisation of the buildings, different approaches were explored prior to the drafting of the Bill. Many of these options were considered either too restrictive in how they may negatively impact owners' existing rights under their individual Crown leases or because they required excessive government intervention such as compulsory acquisition.

The least restrictive option is the status quo whereby the condition of the buildings' common areas would remain at the discretion of the individual owner. The ongoing poor state of sections of the buildings is evidence that, without a mechanism to require owners to undertake improvements, the current ad hoc approach visible today would be perpetuated. The Bill achieves the aim of revitalising the public areas of the buildings in a consistent and heritage compliant manner while minimising the cost to individual owners by limiting the required works to those external elements of the buildings that the public experience and value the most.

Increasing the public amenity value has a number of benefits for these historic buildings in particular, the opportunity to reposition them as retail assets able to attract better quality tenants or new tenants to spaces that have been vacant for long periods. Owners would also be able to secure more attractive commercial terms, incur lower ongoing maintenance costs and attract more customers to the area. The proposed amendment will ensure that current and future building owners will know their asset is protected by legislation that will guarantee that the inconsistent condition of the buildings will no longer be a barrier to businesses interested in locating in Civic.

In examining the scope, cost and timing of the required revitalisation works the City Renewal Authority has consulted with a representative group of owners to assess different implementation options. The preferred approach will seek to make it as simple and equitable as possible with the flexibility to accommodate different owners' circumstances.

I thank the committee for its comments and ongoing scrutiny role.

Yours sincerely

Andrew Barr MLA  
Chief Minister