



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mrs Elizabeth Kikkert MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair),  
Mr Andrew Braddock MLA

## Submission Cover Sheet

Inquiry into Auditor-General Report: 4/2020 –  
Residential Land Supply and Release

**Submission Number: 03**

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**Mick Gentleman MLA**

Manager of Government Business  
Minister for Planning and Land Management  
Minister for Police and Emergency Services  
Minister for Corrections  
Minister for Industrial Relations and Workplace Safety

Member for Brindabella

22/179

Mrs Elizabeth Kikkert  
Chair  
Standing Committee on Public Accounts  
ACT Legislative Assembly  
Email: [LCommitteePA@parliament.act.gov.au](mailto:LCommitteePA@parliament.act.gov.au)

Dear Mrs Kikkert *ELIZABETH*

Thank you for the opportunity to provide a submission to the Public Accounts Committee inquiry into the Auditor-General's report 4 of 2020 titled 'Residential Land Supply and Release' (the Audit Report).

The Government's position in relation to the Audit and its findings is as set out in the Government Response tabled on 2 December 2020. Since that time, the Environment, Planning and Sustainable Development Directorate (EPSDD) has worked with other relevant stakeholders to achieve implementation of all agreed and agreed in principle recommendations.

I am advised that the review of the Affordable Home Purchase Scheme (called for by recommendation 7 of the Audit Report) is underway and anticipated for completion in the 2022 calendar year. For ease of the Committee's reference, the table at Attachment A provides a consolidated summary of the Government's position in relation to each of the Audit Report's recommendations and action that has been taken to implement changes as agreed.

In part, your correspondence asked me to inform the Committee of any material changes stemming from implementation of the recommendations. To that end, I note that recommendation 3 of the Audit Report had suggested areas for material change to the Residential Supply and Demand Model (the Model) by using actual figures of dwellings in the developers' and builders' pipelines to inform the future new housing supply.

The Government agreed in principle to that recommendation. As part of action taken to implement the recommendation, EPSDD has changed its processes related to the Model to allow it to consider the actual figures of dwelling supply using dwelling completions data sourced from the Australian Bureau of Statistics

ACT Legislative Assembly London Circuit, GPO Box 1020, Canberra ACT 2601

+61 2 6205 0051 [gentleman@act.gov.au](mailto:gentleman@act.gov.au)

[@GENTLEMANMick](https://twitter.com/GENTLEMANMick) [MickGentleman](https://facebook.com/MickGentleman) [mick.gentleman](https://instagram.com/mick.gentleman)


(ABS). This data is an input into the supply side of the Model and will be used for the development of next Indicative Land Release Program (ILRP) as part of the 2022-23 Budget.

This data input provides a reliable annualised base to forecast new dwelling supply against the forecast dwelling demand (population growth) for the period covered by the ILRP. This is because the ABS data enables EPSDD to better track and adjust the lag in the construction process from number of building approvals to number of dwelling commencements (starts) to number of dwelling completions.

As reflected above, EPSDD's work to complete the review of the Affordable Home Purchase Scheme continues and may in time result in the identification of improvement opportunities.

Thank you for the opportunity to provide a submission to this inquiry, I trust this information is of assistance.

Yours sincerely

  
Mick Gentleman MLA  
Minister for Planning and Land Management

*24/3/2022*

## Attachment A: Summary of implementation actions

<b>Audit Report</b>
Residential Land supply and Release
<b>Proposed Closure of Audit Report Recommendation/s</b>
<b>RECOMMENDATION 1</b>
<b>Agreed and Complete</b>
EPSDD should: a) finalise and endorse for use draft policy and procedural guidance relating to land release and supply; and b) implement review and evaluation processes as described in the draft policy and procedural guidance
<ul style="list-style-type: none"><li>› The following policy and procedural guidance documents were reviewed, endorsed and are operational and notified on the EPSDD Policy Portfolio Register:<ul style="list-style-type: none"><li>- Land Supply and Release Policy and Procedural Guidance for the Development of the ILRP</li><li>- Affordable, Community and Public Housing Targets Implementation Policy and Standard Operating Procedure.</li><li>- Land Due Diligence Standard Operating Procedure</li></ul></li></ul>
<b>RECOMMENDATION 2</b>
<b>Agreed and Complete</b>
<b>Sub-recommendations b) Agreed in principle and c) Not Agreed and no further action taken</b>
EPSDD should improve the utility of the ACT Land and Property Report to the ACT community by: a) producing the report on a six monthly-basis, as quickly as possible after the quarter to which it relates; b) including historical information and trend data for different parts of the report, including dwellings in the planning, developers' and builders' pipelines; and c) including future projections for housing demand and supply.
<ul style="list-style-type: none"><li>› By 30 June 2021, four back editions of the <a href="#">ACT Land and Property Reports</a> were prepared and published to bring the reports up to date:<ul style="list-style-type: none"><li>- January-June 2019</li><li>- July-December 2019</li><li>- January-June 2020</li><li>- July-December 2020</li></ul></li><li>› The ACT Land and Property Reports now include historical information and trend data for different parts of the report was included to improve the utility of the report for the Canberra community.</li></ul>
<b>RECOMMENDATION 3</b>
<b>Agreed in Principle and Complete</b>
EPSDD should improve the utility of the Residential Supply and Demand Model by using actual figures of dwellings in the developers' and builders' pipelines to inform the future new housing supply.
<ul style="list-style-type: none"><li>› <i>This recommendation was agreed in principle, to use actual figures of dwellings in the developers' and builders' pipelines to inform the future new housing supply. The dwelling pipeline data is an</i></li></ul>

EPSDD internal data source that tracks dwelling supply in new suburbs and within established suburbs in terms of the development phase.

- › The utility of the EPSDD dwelling pipeline as data source was investigated, however, for actual figures of dwelling supply using dwelling completions sourced from the ABS is considered a more effective input into the supply side of the Residential Supply and Demand Model (at this time) and will be used from 2022-23. This data input provides a reliable annualised base to forecast new dwelling supply against the forecast dwelling demand for the period covered by the ILRP.

#### **RECOMMENDATION 4**

##### **Agreed and Complete**

EPSDD should provide greater information and transparency on land supply to the ACT market by identifying the nature of dwellings expected to be yielded through the Indicative Land Release Program, i.e. detached housing or multi-unit developments.

- › From 2021-22 onwards the [ACT Government's Indicative Land Release Program](#) (ILRP) will provide greater information and transparency on land supply to the ACT market by identifying the nature of dwellings expected to be yielded, through the ILRP publication.

#### **RECOMMENDATION 5**

##### **Agreed in Principle and Complete**

EPSDD should develop policy guidance and criteria for the identification and allocation of affordable housing across the Indicative Land Release Program land releases.

- › *This recommendation was agreed in principle*, on the basis that policy guidance and criteria to determine which sites will have affordable housing, and the numbers of affordable dwellings to be allocated to each site, already exists with Government endorsement.
- › The existing policy guidance and criteria require the housing targets to take into consideration social and affordable housing needs, amenity, proximity to schools and facilities such as health centres, transport, employment centres, and public open space as well as existing concentrations of affordable and social housing in each suburb. The EPSDD Housing Targets Reference Group uses this policy guidance and criteria to determine which sites will have affordable, community or public housing, and the numbers of dwelling targets to be identified for each site.
- › Ultimately, sites available for affordable, public and community housing are determined by the sites identified and proposed for release in the ILRP.

#### **RECOMMENDATION 6**

##### **Not Agreed and no further action taken**

EPSDD should include reporting in ACT Land and Property Reports of land released (including dwelling yield) through the Indicative Land Release Program that has not been sold

#### **RECOMMENDATION 7**

##### **Agreed and Underway**

EPSDD, SLA and CRA should a) review and amend the nature and type of affordable housing dwellings offered to the market through the Affordable Home Purchase Program in order to better meet market demand; and b) following these changes, plan for an evaluation of the Affordable Home Purchase Program

to review the effectiveness of the program in meeting affordable housing policies and objectives of the Territory

- › The actions in response to this recommendation are underway. EPSDD, the Suburban Land Agency and the City Renewal Authority continue to review and amend the nature and type of affordable housing dwellings offered to the market through the Affordable Home Purchase Program in order to better meet market demand. It should be noted that sites available for affordable housing are determined by the sites identified and proposed for release in the ILRP.
- › An evaluation of the Affordable Home Purchase Program to review the effectiveness of the program in meeting affordable housing policies and objectives of the Territory is underway and anticipated to be completed in 2022.