QTON No. 21

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Public Accounts and Administration

Inquiry into annual and financial reports 2024–2025

Answer to question taken on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Treasurer

Redirected to:

In relation to: Treasury and forgone revenue from deferred settlements

Hearing: 21/11/2025
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Answer Due: 09/12/2025

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MR COCKS: Yes, thank you. This goes to, I think, the land-related dividends. Now, if we look at the actual—at the management discussion and analysis, it actually points to lower land sales than expected rather than a specific settlement. Is that the settlement that you are talking about?

Mr Austin: There is an issue about land sales more broadly, but the question Mr Rattenbury asked relates to a specific transaction as I understand it for CRA.

MR COCKS: Okay. But can you explain the main reasons for those lower-than expected land sales and the extent to which Treasury has assessed that these are temporary timing issues versus broader problems with the land release program?

Mr Campbell: I might have to take that on notice because I think there would be a fair bit of detail wrapped up in that, unless Ms Bourke knows off the top of her head, but I do not know the answers directly. I suspect we will have to take that on notice, Mr Cocks.

MR COCKS: Okay, can you tell me how much revenue was foregone in '24-25 because of deferred settlements and has that full amount been assumed to now land in '25-26?

Mr Austin: We will take that on notice as well.

MR COCKS: Thank you. And how are dividends, that is market gains on land sales, derived? What risks do they pose to revenue volatility if property market conditions soften?

Mr Austin: We will take that on notice as well.

Chris Steel MLA: The answer to the Member's question is as follows:

City Renewal Authority budgeted $89.8 million in land sales revenue in 2024-25. This related to two land sales that exchanged, but did not settle due to:

- a buyer still working towards meeting certain precedent conditions for completion; and
- securing vacant possession of a site because it is occupied in connection with the Territory's Raising London Circuit project.

One of the settlements is now budgeted to occur in 2025-26.

Regarding the Suburban Land Agency revenue for 2024-25, $230 million was recorded against a target of $282 million.

The Suburban Land Agency Statement of Performance reports that *'the variance is mainly due to lower than budgeted land settlements, primarily driven by the deferral of some land settlements to the 2025-26 financial year'*.

The comparison of SLA's budgets and actual results is impacted by factors such as pricing movements, cut-off at start of the 2024-25 financial year and the approach to budgeting at an estate level (rather than individual blocks).

In relation to Dividends (market gains on land sales) presented in Other economic flows of the Operating Statement, this reflects the profit after Income tax equivalents where the Territory's value add expenses are less than 50 per cent of the undeveloped land value.

This component of land revenue relates to the growth in value of land sales that is attributed to prevailing market conditions. The principle upon which a land sale is classified as Dividend and income equivalent income in Revenue or Other economic flows is based on an assessment of expenses rather than revenue.

The revenue recognised as Dividends (market gains on land sales) is subject to changes in property market conditions. Any up or downside changes in property market conditions which impact the transaction price of these land sales would have an impact on the amount of Dividends (market gains on land sales) recognised in Other economic flows.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature:

Date: 19/12/25

By the Treasurer, Chris Steel MLA