LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023
Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair), Dr Marisa Paterson MLA

ANSWER TO QUESTION ON NOTICE

Mark Parton MLA: to ask the Minister for Housing and Suburban Development

In relation to: Sale of Public Housing as part of the asset recycling program

Date (Question Lodged by Member): 05/09/2022
Date (Question Sent to DLO): 06/09/2022

The Schedule A Contract of the Commonwealth's Asset Recycling Initiative (ARI) is a document that is signed by the ACT's Treasurer and the Commonwealth's Treasurer (and tabled in Estimates Hearing on 2/9/2022) and states that 100% of the proceeds of the sale of the listed public housing assets will go to light rail, including the 15% additional payment from the Commonwealth.

1. **Does the Housing Minister agree that the proceeds from the sale of the of the properties listed in the Schedule A contract went to fund the light rail?**

2. **Does the Minister agree that the $68m benefit, that the Commonwealth paid on the sale of the housing properties (15% bonus as part of ARI), went to light rail?**

3. **The ACT Government has stated that $699m has been invested in public housing since 2015. How much of this money has been spent and what has this money been spent on and when was it spent?**

4. **Please provide a breakdown of the investment in public housing that has been**
   a. **Appropriated since 2015, for each budget year**
   b. **Actually delivered (physical payment has been made for outcomes that have been delivered) since 2015, for each budget year.**

MARK PARTON
Shadow Minister for Transport
5 September 2022

Minister Yvette Berry MLA: The answer to the Member's question is as follows: –

1. The National Partnership Agreement on Asset Recycling (the Agreement) required all proceeds of the sale of the assets listed in the Schedule A to the Agreement and incentive payments to be spent on the agreed infrastructure. The agreed infrastructure project for the ACT was Light Rail – Stage 1 or Capital Metro as it was previously known. Properties sold under the Agreement included public housing properties and other government assets (including ACTTAB, end-of-life office accommodation and other non-public housing sites/buildings).

   Under the Agreement, the gross sales revenue from the sale of assets was $475.5 million and the total incentive payments from the Commonwealth were $67.1 million. This includes gross sales revenue from end-of-life public housing sites of $304.3 million and associated incentive payments of $42.5 million.

In addition, the Agreement required that the total stock of public housing in the ACT did not fall below the level as at 30 June 2014 of 10,848 dwellings. To ensure that public housing stock remained at the required level, the ACT Government provided appropriation to replace 1,288 properties as part of a broader program of public housing renewal, which was completed in 2019-20.

Claims have been repeatedly made that the ACT Government transferred funding from the Public Housing Renewal Project to Light Rail Stage 1. This is demonstrably false.

The forecast figure of the recurrent and capital elements of the Public Housing Renewal Project was $607.7 million.

The total capital reported expenditure on the project was $456.2 million, the total recurrent expenditure was $63.9 million, with total program expenditure of $520.1 million.

The project savings of $87.6 million formed the basis of the $100 million initial investment in the Growth and Renewal Program announced in 2018, which has subsequently been significantly expanded to $209.7 million plus an additional $137.3 million for maintenance and repairs.

2. As noted, a total of $67.1 million in incentive payments was received from the Commonwealth under the Agreement and spent on Light Rail – Stage 1, $42.5 million of which was attributable to the sale of end-of-life public housing sites.

3. The ACT Government has not made this statement – this figure has only been cited by external commentators with no evidence.

As outlined on page 188 of the 2017-18 Budget Outlook, the ACT Government provided $608 million in funding for the Public Housing Renewal Program, with this funding having been progressively announced in the 2015-16, 2016-17 and 2017-18 Budgets.

In delivering the Public Housing Renewal Program, project savings were able to be achieved. These savings totaled $87.6 million, resulting in total spending of $520.1 million for the Public Housing Renewal Program, prior to the investments made in the Growth and Renewal Program.

4. The following table reflects budget investment verses actual cash expenditure

	Total Budget appropriated[1] $'million	**Total cash spent $'million**
2015-16	108	109
2016-17	221	120
2017-18	167	129
2018-19	111	146
2019-20	1	10
2020-21	0	5
Funding returned to government	-88	
Total	**520**	**520**

Note: 1. Annual differences between budget and actuals were managed through program rollovers and reprofiling.

The total capital investment appropriated and spent (construction and purchases) for the Public Renewal Taskforce is as follows:

	Total Appropriated $'m	Total Cash Spent $'m
2015-16	91	106
2016-17	198	108
2017-18	150	120
2018-19	102	118
2019-20		4
Funding returned to government	(85)	
Total	456	456

The total appropriated reflects the original budgets and does not include any reprofiling of funds across the years.

Approved for circulation to the Select Committee on Estimates 2022-2023

Signature: Date: 19/09/22

By Minister Yvette Berry, Minister for Housing and Suburban Development