



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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

Inquiry into Auditor-General's Report 4 of 2020: Residential Land Supply and Release
ANSWER TO QUESTION TAKEN ON NOTICE
27 April 2022

Asked by Ms Kikkert and Mr Cain on 27 April 2022: Mr Ponton took on notice the following question(s):

Ref: Hansard Transcript 27 April 2022, Page 56-60

In relation to: Land release delays

THE CHAIR: Thank you. Just a supplementary on that 15 per cent. If I can go back to the Auditor-General's report, he said that it was not reached, the target in 2017-18, 2018-19, those two financial years, as I mentioned before, Ms Brady. This is because the release of land for affordable and public housing is closely linked to the delivery of the indicative land release program. Any delays to the delivery of the program as seen in 2018-19 with reduced releases for block 12, section 59, of the former Macarthur House, Whitlam, and Strathnairn, impacted the delivery of affordable and public housing.

So please help me to understand how this correlates? How does the delay of releasing the—not meeting the target actually impacts the delivery of affordable and public housing?

Mr Ponton: And Dr Brady, can add to this, of course. That is what we were talking about earlier in relation to when the land is released—so in financial year x, we apply the 15 per cent target. So for this parcel of land in Braddon 15 per cent that target is set as a requirement. So that is—the terminology is important—

THE CHAIR: Yes.

Mr Ponton: So the target becomes a requirement in the sales documents, it is released. The issue is that at times, if there is a delay in the release, and that can occur for a range of reasons, whether that is finalising due diligence or approvals, or whatever it might be, that release might slip over—and sometimes, more often than not, it is just, you know, instead of releasing in June it is releasing in July. And that then means that we have achieved the requirement or the targets in this year because it has now been counted in that year.

And that is what we were talking about earlier, you might recall, that then the following year, if we achieve everything, it actually might be higher than that. But in terms of the indicative land release program, we say for this year we are going to apply this to this parcel of land. But then it comes down to when it is actually released. And, as the minister said, that is why it is called an indicative land release program, because with everything in the land release program there are risks that need to be worked through through due diligence and a range of other matters.

Dr Brady, did you want to add—

THE CHAIR: Can I just say, is there a way to increase the pace of—you know, not having a delay? Because the delay actually impacts the affordable and public housing. So how can the delay be reduced? That is what I would like to know.

Mr Ponton: That is a big question.

Dr Brady: Yes, I think that is a—

Mr Ponton: That is a—as I said, there is a range of things that can impact a delay. So it could be a third-party appeal, which means that we cannot—

THE CHAIR: So is that—a third party appeal, is that part of the indicative land release program?

Mr Ponton: And that is what I am saying is, to release land—

THE CHAIR: So—yes—

Mr Ponton: —we cannot release land—so think about an estate. We cannot release individual blocks of land to sell to individuals unless it has got an approval. Because we need to know that it is approved, and we can sell the land.

If we do not have the approval, if the planning authority and there is a third-party appeal, that can take up to six months. So that might then push it out. So while we have done everything and planned for the release in this year, that third-party appeal might push it out to another year.

It could be, and I am thinking of some examples in recent times with COVID, where we needed to get some contamination monitoring undertaken to understand the contamination on the site. So therefore, what did we need to do to remediate the site in order to release the land. We could not actually get the people who were the experts, because we did not have the expertise for this particular site in the ACT. So that delayed it by three months. So there is a three-month delay already on that particular site.

So there are things that are outside of our control that can result in the release. And yet, going back to my first point, it is a big question. It could be—I mean, there is so many different variables in terms of land release that could cause a delay—

THE CHAIR: But as having set the target, Mr Ponton, at 15 per cent a year, would you say, you know, you are working hard at making sure that these delays are reduced?

Mr Ponton: Absolutely. And in fact, as part of advising government we identify risks. And then internally we work with our colleagues to mitigate those risks.

THE CHAIR: Can you please, with the interest of time—I want to get to Mr Cain. In the interest of time, could you put the question on notice on what are you actually doing to make sure that the delays are being reduced?

Mr Gentleman: We have no control over some of the delays. This is what Mr Ponton was trying to explain to you. That what we can do is prepare and put the ILRP out to release. If there are

interactions—lawful interactions like appeals, these sorts of things, we have little control over that. That is a third party that is having that interaction.

THE CHAIR: Is that the only reason of the delays, minister?

Mr Gentleman: No, there is some other delays as well but—

THE CHAIR: There is other delays—

Mr Gentleman: But what I am saying is that where—

THE CHAIR: —that is what I am asking for—if what Mr Ponton, you have this target, you are not reaching it. What are you doing to make sure you actually reach it on an annual basis? That is—

Mr Ponton: I think the point—

THE CHAIR: That is within your control—

Mr Ponton: But the point I make—

THE CHAIR: —not outside of your control, within your control.

Mr Ponton: But what is out of our control is we do not know what all those—what may cause all of those delays. It could be that through the due diligence we identify contamination that we did not now was there. So, I mean, I could list all the things that we sometimes come across—

THE CHAIR: That is external. But with internal, if there is specific ways that you can reduce the delays—

Mr Ponton: It is the—

THE CHAIR: —that you have—

Mr Ponton: It is the external—

THE CHAIR: —control over—

Mr Ponton: With respect, Chair, it is the external influences that usually cause the delays.

THE CHAIR: That is the only cause of the delay?

Mr Ponton: Third-party appeals, unknown—

THE CHAIR: Is that the only cause of the delay, Mr Ponton—

Mr Ponton: Yes, Dr Brady—

THE CHAIR: Is there anything within your control that you can reduce the delay—

Mr Gentleman: I think we are doing everything we possibly can within our control—

Mr Ponton: Yes.

Mr Gentleman: —to meet those targets.

Mr Ponton: Yes.

THE CHAIR: Okay. Thank you.

MR CAIN: So I think the point is fair though, could you describe what the delays are and to what degree of control you have over them?

THE CHAIR: If you would take that question on notice, that would be great?

Mr Ponton: With the qualifier that I can talk—conclude for you the types of things that we sometimes see—

MR CAIN: Yes.

Mr Ponton: But I cannot give you an exhaustive list because the—

MR CAIN: As best you can.

Mr Ponton: —the joy of land release is that things arise that you just do not expect or—it can happen. When you think a parcel of land is perfect for release and then you identify that there is this unknown contamination. I mean, think of Wright, where we started digging and ended up all the due diligence to understand what was happening—Coombs, sorry. For the storm water detention pond, only to find out, once construction started. Now this is going back eight, nine, ten years ago, that there was an unknown asbestos dump there.

So these are the sorts of things that—I will put that on the list—

MINISTER GENTLEMAN: The answer to the Member's question is as follows:—

Noting the 15% target refers to a 15% target of the residential supply on the Indicative Land Release Program (ILRP) to be for community, affordable and public housing. The following responds to the query about matters impacting the ILRP and that can result in delays to releases programmed in the ILRP.

In relation to land supply, there are statutory planning processes as set out in the *Planning and Development Act* that are required to be met. Work required for land to be identified on the ILRP includes statutory planning work, investigations, due diligence and consultation as well as other integrated work. This work involves considerations of constraints and opportunities for development against agreed planning intentions, the availability and delivery of trunk infrastructure and other policy directions, and endeavours to reduce risk before land is released to the market. These processes take time to complete and gain the necessary approvals and support.

By its nature the ILRP is indicative, as preparing land for release involves many, sometimes complex and lengthy steps with inherent potential and risk for delay.

These delays could be due to factors such as: third-party appeals to approvals; heritage nominations or assessment approvals under the Heritage Act; Commonwealth and ACT environmental approval processes; greater than anticipated contamination finds including asbestos, and unexploded ordnance (UXO) where land was previously used for Defence training; or issues with progressing necessary site investigations due to weather events or specialist consultant availability especially during the Covid-19 pandemic.

EPSDD and SLA continue to review the factors that result in delays to progressing sites to release and instigating risk mitigations where possible to address the issues and seek improvement to existing processes. This includes work consideration of processes related to planning (eg, territory plan variations) through the Planning System Review and Reform Project; consideration for flexible delivery of infrastructure required to support land release; enabling site investigations and assessments to be done earlier in the planning and site investigation processes; and reviewing complex urban and greenfield sites to support improved processes.

Approved for circulation to the Standing Committee on Public Accounts.

Signature: 

Date: 18/5/2022

By the Minister for Planning and Land Management, Mick Gentleman MLA