



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 TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by Mr Mark Parton MLA on 2 September 2022: Mr Ben Ponton took on notice the following question(s):

In relation to: Proceeds of Sale of Properties Under PHR and Asset Recycling Initiative

MR PARTON: But can I just seek a further clarification? Because, you know, you have told me about these 1,288 new properties that have been built, but what I—it is impossible to argue against the document that has been tabled. The minister has come out and stated very clearly that the sales of these ageing complexes and the Asset Recycling Initiative money has gone back into public housing, and it has not. It has gone to light rail. It is in black and white that it has gone to light rail and so minister, how is it that you can say that that is not the case? I just do not understand that.

Mr Ponton: I appreciate what you are saying in terms of the sale was then managed through and that actually went to Treasury, Consolidated Revenue and then government made decisions about the allocations. So in some respects, without wanting to be unhelpful, I think it is about accounting and I wonder whether, minister, we could take that on notice and provide a little bit more detail in terms of how all those various pieces fit together. That might be useful.

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

The National Partnership Agreement on Asset Recycling (the Agreement) required all sale proceeds and incentive payments to be spent on the agreed infrastructure. As has always been publicly stated, the agreed infrastructure project for the ACT was Light Rail – Stage 1 or known as Capital Metro previously. 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.

The Public Housing Renewal Taskforce arrangements were such that the Chief Minister, Treasury and Economic Development Directorate (until 2016-17) and Environment, Planning and Sustainable Development Directorate (from 2017-18) received the appropriation to construct/procure new public housing dwellings.

All 1,288 completed properties were then transferred to Housing ACT through designated equity transfer.

This is the reason why large capital injections are not seen in Housing ACT's budget statements/annual reports and instead this is reflected through equity movements.

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.

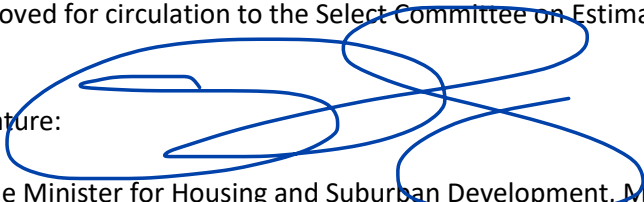
Claims have been repeatedly made that the ACT Government transferred funding from the Public Housing Renewal Project to Light Rail Stage 1. This is demonstrably false.

The project savings of \$87.5 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.

The purpose of the Public Housing Renewal Project was to replace 1,288 properties. That is exactly what the Government did. It was delivered for less than forecast, with more than the project savings then invested into a future program of renewal.

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

Signature:



Date:

12/9/22

By the Minister for Housing and Suburban Development, Ms Yvette Berry MLA