

STANDING COMMITTEE ON PLANNING AND URBAN RENEWAL
MINISTER FOR HOUSING AND SUBURBAN DEVELOPMENT
ANNUAL REPORT HEARING 2015-16

SUBJECT: Public Housing Renewal

Division: Land Development

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KEY MESSAGES:

- The ACT Government is undertaking a program to renew 1,288 public housing properties over the next four years, to improve outcomes for public housing tenants and support the renewal of Canberra’s urban areas.
- Funding of \$550 million has been provided in the 2015–16 and 2016–17 ACT Budgets for the redevelopment and replacement of 13 of the larger and older multi-unit public housing sites on Northbourne Avenue and other areas. Funding provided also ensures the ACT Government can provide ongoing support and assistance to tenants during their relocation to better, more environmentally efficient, modern accommodation.

BACKGROUND INFORMATION

- The Public Housing Renewal Taskforce (Taskforce) is progressing work on securing 1,288 replacement housing dwellings to support the ACT’s Asset Recycling Initiative agreement with the Commonwealth.
- This improved accommodation will allow for the redevelopment of the following multi-unit properties:
 - Dickson Flats (Dickson)
 - Currong Apartments (Braddon)
 - Bega Court (Reid)
 - Allawah Court (Braddon)
 - Karuah (Dickson)
 - Lyneham and De Burgh (Lyneham)
 - Strathgordon Court (Lyons)
 - Northbourne Flats (Braddon and Turner)
 - Owen Flats (Lyneham)
 - Red Hill Housing Precinct (Red Hill)
 - Stuart Flats (Griffith)
 - Gowrie Court (Narrabundah)
- As at February 2017, 357 dwellings at Owen Flats, Allawah Court, the Red Hill Housing Precinct, Karuah and Bega Court have been vacated by public housing tenants (noting that some properties considered ‘vacant’ have been allocated to the Housing Asset Assistance Program).

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- The 212 dwellings at Currong Apartments and the 21 dwellings at Dickson Flats were already vacated at the beginning of the program.
- The Taskforce, Housing ACT and community service providers are working with tenants to identify their needs and preferences, and to support them to move home. This has been formalised through the *Linking In to New Communities Taskforce* (LINCT) and the *Transforming Communities Partnership* (TCP).
- As at February 2017, 235 dwellings have been completed and transferred to Housing ACT. This includes both purchased and constructed properties, in suburbs including O'Connor, Casey, Turner, Monash, Chisholm, Palmerston, Dickson and Amaroo. The properties are distributed by region across Canberra as follows:
 - Belconnen and Gungahlin – 89 dwellings
 - City – 76 dwellings
 - Tuggeranong – 45 dwellings
 - Woden/Molonglo Valley – 25 dwellings
- As at February 2017, a further 288 dwellings are under construction by the Taskforce. This includes properties in Coombs, Moncrieff, Nicholls, Holt and Denman Prospect. Most of these are scheduled for completion in the first half of 2017.
- Planning and due diligence is underway for around 500 dwellings at various sites around Canberra, including in new estates such as Throsby and Taylor, as well as unleased Territory land in established areas.
- The Taskforce is also purchasing properties from the private sector. As of February 2017, 132 properties had been purchased and transferred to Housing ACT, and a further 319 are in the process of being purchased.
- Purchases have mainly been undertaken through Expression of Interest (EOI) processes as follows:
 - The first EOI was open from 20 June 2015 to 20 July 2015. It was advertised on the ACT Government's tender webpage and in *The Canberra Times* and *Canberra Weekly*. The EOI documentation was available to proponents on the tender webpage and on request.
 - A second EOI was issued on 8 April 2016 and remains available at www.tenders.act.gov.au. It will be open until 27 September 2018 or until all dwelling numbers required have been procured.
- These EOI processes are considered to be procurement processes as the *Government Procurement Act 2001* defines procurement as 'the process of acquiring...property by purchase, lease, rental or exchange'. While the purchase of property is not subject to the thresholds outlined in the *Government Procurement Regulation 2007* (these relate to goods and services only), the EOI processes have been presented to the Government Procurement Board for agreement. The *Financial Management Act 1996* requires that Value for Money be considered for any expenditure of government money. The EOI processes involve a detailed evaluation process which considers the design, location and price of all proposals, and all proposals have independent valuations prior to purchase.
- Prior to the first EOI, the Taskforce made arrangements with Housing ACT, whereby Housing ACT constructed 30 dwellings as part of their 'business-as-usual' program and purchased and refurbished 8 dwellings. The Taskforce then reimbursed Housing ACT so the dwellings could contribute to the public housing renewal program.

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- The Taskforce has also purchased 6 additional dwellings through a single select process. These dwellings are located adjacent to other dwellings already purchased for public housing through the first EOI and are now occupied by tenants.
- The Taskforce is part of the Chief Minister, Treasury and Economic Development Directorate. It facilitates the purchase of properties as part of the public housing renewal program. After purchase or construction of the properties they are transferred to Housing ACT, which is part of the Community Services Directorate. On completion, the properties are transferred by 'equity transfer' to the Commissioner for Social Housing. There is no cost incurred through the transfer process as ownership of the properties is transferred within the ACT Government.
- A summary of the public housing renewal program is outlined below:

Financial Year	2014-15 \$ million	2015-16 \$ million	2016-17 \$ million	2017-18 \$ million	2018-19 \$ million	2019-20 \$ million	2020-21 \$ million	Total \$ million
Approved Funding – Capital [#]	-	97.636	191.623*	121.200	80.019	-	-	490.478
Approved Funding – GPO [#]	-	2.070	37.421	14.514	6.099	-	-	60.104
Total Approved Funding	-	99.706	229.044	135.714	86.118	-	-	550.582
Expenditure – Capital	- (actual)	105.878 (actual)*	132.678 (forecast)* 56.480 (actual to date)	121.2 (forecast)	80.019 (forecast)	-	-	-
Expenditure – GPO	- (actual)	8.135 (actual)*	6.424 (forecast)* 5.194 (actual to date)	14.514 (forecast)	6.100 (forecast)	-	-	-
Total Forecast Expenditure	-	114.013*	130.096*	135.714	86.118	-	-	-

[#] Approved funding is based on approved business cases. Note that this only includes Taskforce costs up to 2016-17 and Tranches 1 to 5 of the public housing renewal program. Taskforce costs from 2017-18 onwards and the 6th Tranche of the public housing renewal program are subject to approval. If approved, there will be additional funding added to the 2017-18 and 2018-19 financial years.

* Differences between the approved funding and actual expenditure for the 2015-16 and 2016-17 financial years due to costs incurred in 2014-15 (prior to appropriation being provided), for expenditure on EOI purchases and changes in the sales schedule for multi-unit sites. As part of the 2017-18 Budget process, the Taskforce will be seeking approval to re-profile some funds to future years. This explains why the forecast expenditure for 2016-17 is lower than the approved funding.

- The Office of Coordinator-General Urban Renewal and the Land Development Agency (LDA) are managing the sale of the multi-unit properties included in the public housing renewal program. Several sites including Dickson Flats, Owen Flats and Currong Apartments have been demolished, while a number of other sites including Allawah Court and Karuah have been sold with the buildings still in place. For more information see related briefs provided to the Minister for Urban Renewal:
 - 3 – *Development Plans for Bega Court, Allawah Court and Currong Apartments; and*
 - 4 – *Red Hill Precinct (Estate Development).*

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