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Deputy Chief Minister

Minister for Early Childhood Development

Minister for Education and Youth Affairs

Minister for Housing and Suburban Development

Minister for Women

Minister for the Prevention of Domestic and Family Violence

Minister for Sport and Recreation

Member for Ginninderra

Mr John Fitzgerald

Chair

Suburban Land Agency

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Dear Mr Fitzgerald

John

Statement of Expectation

This letter sets out the ACT Government's expectations for the Suburban Land Agency (SLA) in discharging its responsibilities under the *City Renewal Authority and Suburban Land Agency Act 2017* (the Act) over the coming financial years.

As set out in my letters to you dated 25 August 2017 and 19 April 2018, good governance, transparency and accountability remain key priorities. The statutory framework establishing the SLA reflects the Government's specific intent that rather than being a solely commercial venture accountable on the basis of its financial performance, the SLA exists first and foremost to meet the community's expectations about what kind of city they want to live in – an inclusive, safe, and affordable city with a wide variety of innovative housing options.

The balance of these objectives through the delivery of land development is paramount. It is essential that the SLA play a central role in advancing the Government's broader policy agenda while working collaboratively with and across the Government and its multiple directorates.

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The expectations set in this letter reflect the latest Government commitments and policies following the 2020 election and the include those from the *Parliamentary & Governing Agreement for the 10th Legislative Assembly*.

Housing affordability

Together over the coming year, I look forward to working with you to continue meeting our community's high expectations for innovative and affordable housing options.

Housing affordability remains a top Government priority over the coming years. The ACT's Housing Strategy sets a target of 15 percent of new land being allocated for affordable housing. Additionally, the Parliamentary & Governing Agreement sets a goal of 600 additional affordable dwellings by 2025-26. The Territory's approach to affordable housing will continue to require innovation delivered through parts of government including the SLA.

Affordable housing delivery agreements should include levers for the SLA to intervene should developers not provide an outstanding product at an affordable price. Land should be provided across a broad price scale in locations throughout the Territory to ensure as many Canberrans as possible have access to land, particularly lower-income households.

The SLA should also continue investigating options to directly build affordable housing for purchase and innovative and affordable build to rent programs. I would appreciate the opportunity to consider and contribute to your deliberations as this work progresses.

I also ask that you provide me with advice on your plans and options for meeting the government's affordable housing targets through the SLA's operations within the first three months of 2021.

Market supply and development options

Together, the SLA, CRA and Housing ACT are the key agencies that help shape the land development and urban form of the Territory.

Over the coming year, the SLA will continue to play a central role in supporting the delivery of residential, commercial, industrial and community development outcomes that reflect the Government's commitment to land release as captured through the successive Indicative Land Release Programs. In doing so, I expect that the SLA will work co-operatively and collaboratively with EPSDD and Treasury to ensure efficient and effective management of development projects and provide robust, timely reporting to Government on the same.

The Government expects the SLA to maintain an adequate supply of stock, available over the counter, as well as providing larger sites, commercial and community sites to the public via auction and tender. The SLA will continue to release land in accordance with the ACT Government's ambitious Indicative Land Release Program. This ensures there is plenty of choice available to the community and supply meets demand – stabilising prices and providing Canberrans with the opportunity to live in one of the ACT Government's great new suburbs.

During this term, the Government expects the SLA to explore options for directly building community sites, to ensure that these new builds deliver more than an economic return and meet the needs and expectations of the community. I also ask that you provide a brief to me on options for releasing commercial sites to the public via tender to ensure community expectation is met around access to shopping and other services, such as early childhood education and care services aligned with the government's policy goals.

Across all of the SLA's sales and development operations, I ask that you ensure that your commercial activities promote safe, ethical employment in the construction and development industry. All services procured and all development operations should come with commitments by all of the SLA's partners to high standards of safety at work and ethical payment and employment conditions.

The Parliamentary & Governing Agreement requires at least 70 percent of new housing development to be within Canberra's existing urban footprint. I also ask that the SLA brief me within the first six months of 2021 on options for meeting and exceeding this target, with a view to sharing those options for consideration and endorsement by the ACT Executive.

Reconciliation in action

In all areas where the Government provides services to the ACT community it is our shared obligation to remember that we do so on land that was traditionally in the custody of the local Aboriginal and Torres Strait Islander people, the Ngunnawal. This is particularly important for those agencies, such as the SLA, who are directly working with the land in our region. I expect the SLA to ensure that it has an entrenched culture of respect for the traditional land custodians and implements activities aimed at reconciliation in action.

I welcome an opportunity to discuss with you how this can be achieved through deep partnership with the local Aboriginal and Torres Strait Islander community.

Dividend and cash flow

ACT land is a scarce resource which the government sells in order to support the community. The revenue from those land sales must continue to benefit the community in every possible way. The dividend policy direction ensures all profit is returned to the Territory and I encourage the SLA to continue finding ways to economise and prudently allocate the revenue it's entrusted with, while meeting the government's wider policy objectives in delivering the forward program of land release under the Indicative Land Release Program. The Government's objective is to achieve the best social and community outcomes possible, not the highest possible price. The Government and the community appropriately expect a high standard of integrity regarding the appropriate use of public finances. The ongoing reporting and transparency of revenue and expenses for the SLA continues to be of utmost importance.

Staffing at the SLA

The SLA continues to source exceptional talent from the Canberra community and use the skills of those people to innovate. The SLA's staffing should continue to remain a lean operation, in

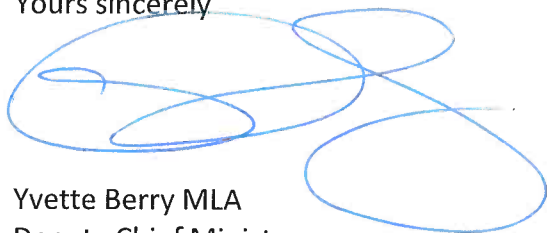
accordance with the community's expectation for the ACT Government's commercial entity responsible for selling land. Increasing the representation of women on the SLA's board is and will continue to be a Government priority.

I encourage the SLA to investigate and implement in-sourcing practices, noting the SLA has already employed a sales team in lieu of outsourcing this to real estate agents. I encourage the SLA to look at other opportunities to in-source services, for example civil works, to provide direct employment to more Canberrans and increase the dividend to the community as a result of managing services itself.

Noting my comments about reconciliation in action, I also seek your consideration of options to bring a greater direct contribution from Aboriginal and Torres Strait Islander people to the work of the SLA through, for example, identified positions or indigenous liaison roles.

I look forward to participating in future regular discussions with you about the SLA's forward agenda.

Yours sincerely



Yvette Berry MLA
Deputy Chief Minister
Minister for Housing and Suburban Development

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