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PARLIAMENTARY STANDING COMMITTEE ON PUBLIC
WORKS

(Subcommittee)

**Reference: Construction of housing for defence on Gordon Olive Estate at
McDowall, Brisbane, Queensland**

MONDAY, 12 OCTOBER 2009

BRISBANE

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**PARLIAMENTARY STANDING
COMMITTEE ON PUBLIC WORKS**

Monday, 12 October 2009

Members: Senator McLucas (*Chair*), Senator Troeth (*Deputy Chair*), Senator Forshaw and Mr Champion, Mr Forrest, Ms Hall, Mr Lindsay, Mr Price and Mr Slipper

Members in attendance: Senator McLucas and Mr Slipper

Terms of reference for the inquiry:

To inquire into and report on:

Construction of housing for defence on Gordon Olive Estate at McDowall, Brisbane, Queensland

WITNESSES

BOLLEN, Mr Roger Leyland, National Manager, Land Provisioning, Defence Housing Australia..... 1

DAVIES, Mr Cameron-Jonathan, Project Architect, Deicke Richards Architecture..... 1

HOWMAN, Mr Peter Kenneth, Acting Managing Director, Defence Housing Australia 1

**KENNEDY, Mrs Bronwyn Margaret, Regional Manager, Brisbane Housing Management
Centre, Defence Housing Australia 1**

**NARAYANASAMY, Mr Vidondaraja (Raja), Development Manager, Land Provisioning,
Defence Housing Australia..... 1**

Subcommittee met at 10.55 am

BOLLEN, Mr Roger Leyland, National Manager, Land Provisioning, Defence Housing Australia

DAVIES, Mr Cameron-Jonathan, Project Architect, Deicke Richards Architecture

HOWMAN, Mr Peter Kenneth, Acting Managing Director, Defence Housing Australia

KENNEDY, Mrs Bronwyn Margaret, Regional Manager, Brisbane Housing Management Centre, Defence Housing Australia

NARAYANASAMY, Mr Vidondaraja (Raja), Development Manager, Land Provisioning, Defence Housing Australia

CHAIR (Senator McLucas)—Good morning. I declare open this public hearing of the Parliamentary Standing Committee on Public Works inquiry into the proposed defence housing at Gordon Olive Estate in McDowall in Brisbane. I want to start by thanking you, Mr Howman, and your staff for the on-site inspection this morning. I think that was a very useful strategy for assisting the committee to understand what is proposed and get a picture in our minds of what is going to occur. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the parliament itself, and I remind witnesses—and I know this is not necessary, but I am required to do it—that giving false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Is there anything you would like to add about the capacity in which you appear today?

Mr Howman—I am the chief operating officer of Defence Housing Australia.

Mr Narayanasamy—I am the development manager for this project.

Mr Davies—Deicke Richards are the urban designers and landscape architects for the project.

CHAIR—Mr Howman, would you like to make some introductory remarks?

Mr Howman—Thank you, Chair. First of all, I would like to thank you for the opportunity for Defence Housing Australia to explain to you the proposed construction of the housing for defence at Gordon Olive Estate, Rode Road, in Brisbane. Defence Housing Australia—DHA—proposes the development of land and construction of 51 dwellings in the Brisbane suburb of McDowall, at an estimated overall cost of \$27.2 million including the land.

The site is approximately 12 kilometres north-west of the Brisbane CBD and five kilometres north of the Gallipoli Barracks in Enoggera. The housing in this area is highly sought-after by Australian Defence Force members owing to its close proximity to the base at Enoggera. It is zoned as an emerging community area and is close to all amenities, including schools, a hospital, childcare facilities and major shopping centres. It is also serviced by the Brisbane City Council bus system.

As to the general requirements for the program and the area for DHA, we have approximately 1,700 defence members with dependants residing in the Brisbane area, and this number is forecast to rise to about 1,850 by the financial year 2012-13. DHA currently manages about 1,300 dwellings in and around Brisbane, with about 28 per cent of the defence families currently living in private rental situations and receiving rental allowance, known as RA.

The task for DHA is to meet the increased demand while reducing the percentage of RA to around 13 to 14 per cent from the current levels. In addition, DHA needs to replace houses for which leases will expire and houses that do not meet the current defence standards. To achieve these objectives, DHA has programmed the addition of 884 dwellings, including 383 constructions over the financial years 2009-10 through to 2012-13. The development and construction of 51 dwellings on the Gordon Olive Estate represents a significant number of the new housing constructions for the financial year 2010-11. The project objectives are to develop the required land to provide 51 modern, standard dwellings comprising 30 detached houses, 17 town houses and four duplexes, in part satisfying the immediate housing requirements of ADF members serving in the Brisbane area, particularly at the Gallipoli Barracks in Enoggera in Brisbane.

The site includes another 10 lots suitable for detached housing but not preferred for DHA and a 5,000-square-metre area that is suitable for the construction of up to 36 low-level apartments. These lots are currently planned to be sold off. The site will be developed and called the Gordon Olive Estate, honouring the memory of Brisbane born Battle of Britain pilot and distinguished community figure Gordon Olive CBE, who died in 1987. DHA's board has given its approval for the project to be referred to the Public Works Committee for consideration and report. Subject to parliamentary and DHA board approval, DHA would like to have the new residences available for allocation to defence members by 30 June 2011. The estimated overall project cost of the proposal is \$27.2 million, which includes land acquisition, construction costs, civil works, headwork charges and professional fees.

The site has been used for residential purposes in the past. Public notification and community consultation have been undertaken, and the concerns of the community have been addressed in the development plan. The defence community in the Brisbane area has been consulted and fully supports the development. Extensive consultation has been undertaken with Brisbane City Council in the design of the subdivision and external traffic layout, and Brisbane City Council has advised that the proposal is supported in principle. Chair, to answer the question you asked as we were leaving the site this morning, I have contacted the school headmaster since we left and he advises us that currently there are 840 students at the primary school. We are now advised that defence looks to contribute about 30 additional students to that school.

CHAIR—Thank you. I would like an explanation of the works that are going to happen on Rode Road that will connect the development and the school. We talked about it at length on-site this morning, but it is important that it goes on the record. I refer you to paragraph 9.2.4 in your submission, which explains the school's concerns about achieving good movement for children in particular. Could you explain what the treatment of the road is going to look like and also discuss the numbers? You have given us an indication that 30 children will come from the site, which is less than I expected, but that is good to know. Also, children who currently live off-site will now be encouraged to come through the development to go into the school, so what numbers of children do we expect to be using the lights and the pedestrian access to the school?

Mr SLIPPER—Also, lots of families exercise their choice in education and there will be some who want to access church schools, catholic schools and other independent schools. When you calculated that figure of 30, were you estimating that there will be 30 children from the estate going to school or 30 children going to that school, with other children going elsewhere?

Mr Howman—I will introduce our answer and then I will call on my learned colleagues here to go to some of the specifics. To answer your question on the student situation first, defence families have a wide range of family make-up—some with high school students, some with primary students and others with no children or with preschool children. In Brisbane, like elsewhere around Australia, we have developments occurring with larger house lots for the families that require a house for a large number of children and also smaller dwellings for those who require smaller house lots. I am told that the sort of dwelling that we are constructing at this location lends itself more to the families who have preschool children, junior children or no children at all, whereas some of the other locations we are building around Australia and also here in Brisbane have much larger backyards and larger houses. The defence families themselves make the choice of which house they would like to take from what is available to them. So we would imagine that the families that choose to live here would be those that have a smaller family footprint. On that figure of 30 children, we understand from the headmaster that he has determined that about 30 children will come from the defence families in this particular development to his school.

Mr SLIPPER—That does not quite answer the question. The question is: are they saying that there will be, say, 50 children from the development going to school, 30 of whom will elect to go to McDowall school?

Mr Howman—I cannot say exactly how many children will be in the development, but the headmaster advises us that he believes there will be about 30 coming to his school. I simply do not know how many there will be. That will not be determined until the families actually take up their allocation.

From a traffic perspective, at the moment there are dwellings at the northern side of our particular development and, to access the school, children would either work their way through the development as it stands today—and we saw this morning that it is a non-developed environment—or they would transit around the development to the school. In the future, we will have an entry from Peck Street to the north and there will be footpaths through the development to the front entrance, where the main intersection and traffic lights will be. There will be some development done by DHA on that intersection. I will have to pass across to Raj to describe that in more detail.

Mr Narayanasamy—There is an intersection right now which is only a pedestrian intersection. That is exactly where a new traffic intersection is going to be constructed. That will involve road widening, and we are extending about six metres into our side to allow for the additional road, bus lane and footpath. We will have two-way traffic going back and forth during peak hours, and the parents will drop off their kids in the car park and keep driving out. Others will do the same thing. People who are now bringing their kids right around Landis Street and across and down to Rode Road to drop their kids off will allow their kids to walk and cycle through Peck Street. Therefore the number of cars there will be reduced and the parking area will not be as congested as it is right now.

CHAIR—Simply so that we have got this on the record—I think I have it in my head—can you explain how the signals will work on that signalised crossing on the road?

Mr Narayanasamy—I will get Cameron to answer that question.

Mr Davies—It will be a signalised T-intersection with the short leg as the entry into the site. The stop bars, or the signalised traffic movements, will be for the through traffic on Rode Road, which will be stopped in both directions to enable a clear crossing in one shot for the schoolchildren. There will be another stop bar at the entry point to our site which will be activated by vehicles exiting from that site as well, which will give some green time to those vehicles exiting the site.

There is another driveway which enters the other side of the intersection, if that makes sense. It is a driveway that accesses a fairly small car park for the school. I do not know the exact number of cars there, but we are told by the principal that they are predominantly staff cars. The intersection will aid the exit from that particular driveway because it will cause some stopped traffic on Rode Road at times, which will ease the exit from that driveway.

CHAIR—It is just that your submission was not very, very clear. This map is very, very clear and it is important that we have the words to go around it. That is sufficient. Mr Slipper, do you have any questions on the road?

Mr SLIPPER—Not specifically on the road, no.

CHAIR—Okay. Would you like to kick off on something else?

Mr SLIPPER—You mentioned that you are going to sell 10 of these lots. I think you told us on site, if I heard you accurately, that you may not sell those 10 lots and you are going to leave them as a land bank. I do not think you used those words. What is in fact the current plan?

Mr Howman—The current feasibility, as approved by the DHA board, is to dispose of those lots once we construct the development.

Mr SLIPPER—Is that still the current intention?

Mr Howman—That is the intention today. There are variables in the future that we do not know about. For example, every year we get a new defence housing forecast for the area. Should that change in the future, requiring a much higher density of housing for defence because they forecast more defence are coming here, then we would revisit that decision. But today the board's agreement is that we will sell those lots.

Mr SLIPPER—Presumably you have undertaken, as you usually do, some form of community consultation. Could you just indicate on the record whether you have any objections or the level of objections from people in the community?

Mr Narayanasamy—We had two lots of consultations. In the first consultation, which was done a couple of years ago, we heard what the adjoining neighbours wanted and looked at the issues on Rode Road. We then catered for the issues that were raised. In June we had another

consultation where the same people came around and we showed them all the designs and plans. They were pretty happy that we had got a traffic light intersection out there. They were happy that we have the bigger lots joining adjoining their properties. They were talking about property values and stuff like that. They were happy that we intend to sell some of them and they were interested in buying them from us. After a couple of hours of discussion, they were quite happy with our development. They were happy that we had addressed all the issues. Entry to the street was the main issue, because originally we intended to have the traffic coming through there. Once that was resolved and the council agreed to have one entry to Rode Road they were more than happy that we were developing the site.

In the normal public notification process that the council carried out, there were two objections raised. A letter was sent to them. It was the usual type of letter, saying that the bushland would be destroyed and there would be increased traffic on the road. It raised the issues which are normally of concern. It went straight to the council and the council responded and said that that had been addressed. At the end of the day, we have not had any other objections from anyone.

Mr SLIPPER—Therefore, the council has been cooperative.

Mr Narayanasamy—Yes. They have been very cooperative on this issue.

Mr SLIPPER—Allow me to congratulate you on choosing to call the estate after Wing Commander Olive. I met him many years ago, when I was very young. I suspect that very few people actually remember him now. It is nice to see his name appear on this development. One of my hobbyhorses is that it is really important that, when you build, you take into account the Queensland climate. On the Sunshine Coast, where I am from, there are lots of Tuscan houses. I am sure Tuscan houses are very nice in Tuscany, but they are not necessarily right for our climate. Also, a lot of houses are being built without eaves. I presume that because you have been sensible enough to instruct Brisbane professionals to assist you those professionals will make sure that the designs are suitable for the Queensland climate.

Mr Howman—We have our experts here today who assisted us with the design of the development. Insofar as the design of the houses is concerned, we have a design specification which we have included for your perusal. We go to a panel of builders who we have preselected and they do a design and construction response to our request for tender. By doing that, we ensure that there is a mix of designs throughout the suburb. Those designs take into account local conditions because it is local builders that respond. It gives us a mix and flexibility in design so every house does not look the same.

Mr SLIPPER—Have you got some estimation of the jobs you will create as a result of this project?

Mr Howman—We have had a consultant estimate the jobs creation of houses and house constructions. The response we got back from the consultant is approximately 0.8 of a full-time job per house and approximately 1.8 additional non-direct jobs per house.

Mr SLIPPER—Presumably you have these developments subdivided so you always have the option of selling them in the future. How do you strike the rental? Is it the commercial rental in

the Brisbane market or is it discounted to take into account that these are people who are in Australia's defence services?

Mr Howman—The rental value that is set on the houses is not set by DHA. It is set by an independent valuer every year. We employ independent valuers all around Australia to set that rental value generally about Christmas time every year. We then pass that rental value to defence with a margin that DHA puts on top for the management of the property. Defence then will pay us the rent appropriate to that. The amount that the member pays to defence is between defence and that member and a part of the conditions of service. I cannot say exactly what it is, but I understand at the moment that it is approximately half of the rent. That is an internal decision between defence and the member, not between DHA and the member.

Mr SLIPPER—What is the eligibility for renting the houses? If the people, for instance, owned a house in Brisbane, presumably you would not allow them to rent. If they owned a house elsewhere which they had acquired during a prior posting, presumably they would be allowed to.

Mr Howman—That question gets back to the defence policy on what entitlements a defence member gets. In broad terms, if a defence member has their own house that is suitable to their needs, their rank and their requirements within 30 kilometres of the defence location, it would be expected that the member would live in their own house. But, if they do not, then they have the opportunity of taking up one of our houses.

Mrs Kennedy—It is actually a little more stringent than that. If a member has purchased their own home and it does not meet their entitlements under the current policy they are still required to live in that property if it is within the 30 kilometres. So when they are renting a DHA house, for instance, amenity and structure, depending on the family demographic, come into it: number of bedrooms, number of children, age of children and the possibility of them cohabiting one bedroom or not. If a member has a three-bedroom house and he has four children, he still is required to live in that house if it is within the 30 kilometres.

Mr SLIPPER—Given the number of service personnel we have in Brisbane, or for that matter in any area, do you have a situation where there are technically people eligible for housing but you cannot provide it?

Mr Howman—We do.

Mr SLIPPER—What do you do then, besides building extra houses?

Mr Howman—The agreement that we have with defence at a national level is to provide approximately 85 per cent of the defence need for housing for married members. There is a flexible amount of about 15 per cent which we do not attempt to provide for. That allows the defence members to have some flexibility to take up a residence that is not provided by us. For example, they may have some extended family in the region and they may want to live in an area close to that extended family where we do not provide housing. So they have the opportunity to do so themselves. How they would normally do that is through leasing of a private house, and they then get rental assistance to assist with that.

Mr SLIPPER—Is the rental assistance from the Defence Force?

Mr Howman—Yes.

CHAIR—Thank you for providing the performance and design principles. I found that interesting. I did notice, though, that regularly through the document it will make a statement and then say ‘mandatory requirements: none’. Why is that?

Mr Howman—We and defence have an agreement in place, which is a service provision agreement whereby defence will determine certain criteria that we have to deliver to and are they are mandatory. There are examples I could give you, one being the size of a laundry tub has to be 70 litres in capacity. There are a certain number of mandatory requirements that are provided to us, so we then put those out to the contractor as mandatory requirements. There are other requirements which are not mandatory and consequently we list those as ‘not mandatory’. The process which we go through for this design and construct house contract is to try and get our builders to deliver us as near as possible to a standard off-the-shelf house for them because that would provide, in the main, the best value for money and cost-effective house that that particular builder could build.

CHAIR—For example, I just opened it up and a clothes line is not mandatory. What do you do?

Mr Howman—I find that very interesting because a clothes line is mandatory and in fact the length of the line on the clothes line is mandated by defence to be 33 linear metres.

CHAIR—I will read it again. I am not getting it right, obviously. Further, in terms of heating and cooling—and this is a general question rather than specific to Gordon Olive Estate—a lot of thinking is now moving away from the standard refrigerated reverse cycle air conditioner in that we can think of cooling homes in the subtropics and the tropics in a different way, by their design rather than by heavily carbon-using air conditioning. Your problem is that you have defence families who will probably want air conditioning. My question goes to the fact that you are a government agency. I believe that, as government, we should be setting a high standard of design. Has there been any thought and discussion between ADF and DHA about thinking differently about housing design that would deliver less carbon output by cooling and/or heating, but cooling in particular, through better design principles rather than just shoving in an air conditioner?

Mr Howman—The agreement that is in place between defence and DHA is to provide a house that is EER4 rated. However, I understand that the COAG meeting in Tasmania earlier this year determined that houses built from, I believe, May 2011 and into the future will be EER6. So the DHA board has taken an initiative, and we have written to the Prime Minister about our initiative, that since 1 July this year all of our tenders have had an option for EER6 and DHA will fund the cost difference between our standard of EER5, which you will notice in our specification, and EER6. I can say that last week we signed our first EER6 rated house in Toowoomba. The cost of the increase from EER5 to EER6 was only about \$4,000, so we think it gives very good value and good return. We believe that, over time, our investors from the sale and lease-back program will also embrace that initiative we are taking.

Mr SLIPPER—Can you tell me what you get for the extra \$4,000?

Mr Howman—To move from an EER5 to an EER6 you need to look at things like Sisalation on the windows, that is protection on the windows, and generally to look at having a little bit more insulation to give the extra cooling or heating requirement. You look at block orientation for more of a northerly aspect. If you can develop blocks, as we have done here, which have a north-south orientation then you can actually reduce the additional cost because you have that northerly aspect. Those are the major issues you need to take into account.

On the latter part of your question, those discussions between defence and DHA are occurring. At this stage, so far as air conditioning is concerned there is a defence requirement for DHA to install air conditioning in all our houses. In fact, defence fund us to a small extent to ensure that we do that.

CHAIR—I absolutely understand that if you are living in Townsville you want to come home and click on the aircon in December. What I am asking about is that you can also design so that, in addition to that, there is an option for you to fling your windows open wide if you are facing towards the south-east. There are all those sorts of design elements that clever people understand and know. If we can add those in as well, we give the occupants of the house the option of not turning on the air conditioner but, rather, using the design elements of the house to cool it down.

Mr Howman—That is the process that DHA has chosen to go down by taking the initiative of now constructing where possible six-star houses.

CHAIR—Toowoomba is good, but you will require a different solution in Cairns.

Mr Howman—That is why we tend to select local builders, because they know the local environment. The requirements for a six-star house in Townsville, as an example, would be different to the requirements for a six-star house in Toowoomba, so the local builders would build to the local requirements.

CHAIR—Thank you for that, and I commend you for moving to a six. That is a good outcome. There are two other issues I want to canvass. Designing houses so that they are accessible to people with disabilities is cheaper if you do it at the front end rather than retrofitting. Has any work happen in DHA to assess the number of individuals who are your potential clients who have need for disabled access into the home? Have you been thinking about how you would serve those potential clients by designing a portion of your homes so that they are accessible from the outset rather than having to retrofit them? What is the thinking in DHA around that question?

Mrs Kennedy—I can answer that in large part. Firstly, we do not have the knowledge of who is coming into location who has a disability. We do not know that until the member actually applies and in most cases, as you would appreciate, it is usually a spouse or a child who has the disability. It is rarely a serving member. The problem we face is that defence fully fund the renovation to a property to enable a disabled person to live in that property. We get the specification and we have to get experts in to determine what that person requires to have modified. We provide all the quotes back to defence, and defence approve it in Canberra and then the house is modified to suit that member's needs, so it varies greatly depending on the disability.

Keeping a house that has been modified for a disabled person for another disabled person has proved in the past to be impractical because one member coming in does not necessarily cross over with another member vacating. What normally occurs is that the house has to be reverted back to a normal living standard again at the expense of defence. It depends on the modification. If they have widened doorways, we would leave those. But if they have put ramps in the house for members to get around with wheelchair access, they are removed again because an incoming member in most cases will not live in the house with those ramps unless they have a disabled person on the property.

CHAIR—Are these external or internal ramps?

Mrs Kennedy—External ramps and sometimes internal ramps if it is a child permanently in a wheelchair so that they can access thresholds over doorways and get from the front of the house through to the back and outside as well.

CHAIR—So the incoming tenant is saying to you that they do not want to live in a house with a ramp on it.

Mrs Kennedy—If they have been allocated the property and they do not have a disabled person, they want the ramps removed. Ramps can be very aesthetically unsatisfying.

CHAIR—That is why you designed them in the beginning.

Mrs Kennedy—Yes.

CHAIR—I suppose that is the point I am making.

Mrs Kennedy—Yes, and I understand the question was why we do not do it upfront but I think the reason is that it is not a DHA responsibility. If we designed a proportion of houses to have disability access, they might never get used because the proportion is quite small.

CHAIR—The point I am making is that when you design at the front end for disability access it does not look like there is a person in a wheelchair who lives there because you design it so that there is no lip at the front door. You design it so that the hallway is a certain width. You just buy those bigger doors and you can even design bathrooms nowadays that do not look like hospital bathrooms. They are totally accessible but they do not look like they are designed for disability. The example in Nordic countries, where they brought in accessible design principles some years ago, showed that those homes are sold at a premium compared to homes that do not have accessible design principles brought in at the front end.

Mrs Kennedy—I am not the expert here. Forgive me. I suppose for access through doorways and flat surfaces for entry that is fine, but in many cases we have to modify the height of the kitchen benches and then that is not suitable for an able-bodied person because they are too low. That is the variation. I would agree with you if it was the access points and doorways. That would not make any difference to an able-bodied person but modified baths, showers and kitchen benches are then not suitable for an able-bodied person.

CHAIR—Certainly, and I take your point there that they are quite expensive. I have a question about the vegetation on the lot. I can understand that there were community members who would have been somewhat distressed to see a large number of very mature trees having to go. I am pleased to see that you are keeping as much as you can on what would be the eastern side. Is that right?

Mr Howman—On the eastern strip.

CHAIR—Then there is a portion at the front that will be retained as well, on the Rode Road side—is that right?

Mr Howman—No, it is along the eastern strip of the eastern boundary and also the north-western boundary and then we would replant internally around the roads.

CHAIR—You gave the palette for the internal plantings in the document. How were those species identified?

Mr Davies—The tree species were selected by our landscape architect, who is also a qualified horticulturist. The species were selected on the basis of compatibility with the existing native vegetation on site but they are also species that are robust enough for a footpath or a pedestrian area as well, so they are suited to the various locations that we are creating within the project.

CHAIR—The way that my document has been printed I cannot read the names of the species. Was there a consideration of whether they were endemic to the Brisbane region at all?

Mr Davies—Yes, that was considered in the selection of the species.

CHAIR—That is good. Thank you for your evidence.

Resolved (on motion by **Mr Slipper**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Evidence was then taken in camera—

Subcommittee adjourned at 11.46 am