

Development and construction of housing for Defence at RAAF Base Darwin, NT

- 3.1 The Department of Defence (Defence) and Defence Housing Australia (DHA) propose to create a new on-base housing precinct through the redevelopment of previously developed urban land on RAAF Base Darwin, Northern Territory (NT).
- 3.2 The project will provide 80 modern dwellings that meet the housing entitlements of junior Defence members and the DHA's guidelines for tropical housing design.
- 3.3 The project also proposes to enhance the amenity and sustainability of the housing precinct and address current substandard infrastructure.¹
- 3.4 The estimated cost of the project is \$53.36 million, including GST.
- 3.5 The project was referred to the Committee on 5 June 2014.

Conduct of the inquiry

- 3.6 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 3.7 The Committee received two submissions and two confidential submissions from the proponent agencies. The public submissions to the inquiry are available on the Committee's website.²
- 3.8 The Committee received a briefing from representatives of the proponent agencies and visited the site of the proposed project on 18 August 2014.
- 3.9 The Committee conducted a public hearing and an *in-camera* hearing in Darwin on 18 August 2014. The transcript of the public hearing is available on the Committee's website.³

1 Department of Defence (Defence) and Defence Housing Australia (DHA), submission 1, p. 13.

2 <www.aph.gov.au/pwc>

Need for the works

- 3.10 There are approximately 4,500 Defence members residing within the Darwin Defence Housing Forecast area, and of this approximately 1,800 are members with dependants. These members are posted to Defence establishments in the Darwin area, including RAAF Base Darwin.
- 3.11 The standard and availability of housing for Australian Defence Force (ADF) members and families in Darwin has been a longstanding concern for Defence. Currently, there is a heavy reliance on the private rental market which suffers from significantly low vacancy rates and sub-standard on-base housing.⁴
- 3.12 To meet the housing needs of these families, DHA manages approximately 2,200 dwellings in the Darwin area, including 108 Defence owned-dwellings located on RAAF Base Darwin. The remainder are Defence and DHA properties in other areas of Darwin. At 1 March 2014, there was an additional 185 families or 10.74 per cent of the total in private rental accommodation and receiving a housing subsidy in the form of Rent Allowance.⁵
- 3.13 The provision of Rent Band 1 (RB1) houses in Darwin, which match the entitlements of junior Defence members, remains a difficult issue as a result of challenging housing market conditions in the region. Defence and DHA have determined that a major project to build 80 new on-base dwellings is a cost-effective means of supplying bulk housing that meets the minimum standard for families of junior Defence members posted to Darwin.⁶
- 3.14 The Committee is satisfied that the need for the works exists.

Options considered

- 3.15 A review of Defence's housing requirements conducted in 2008 and again in 2010 indicates that the availability of housing in Darwin was insufficient to meet Defence's housing needs and a limited number of houses needed to be retained on bases in the Darwin area.⁷
- 3.16 The acquisition of 'broad acre' land within local communities followed by development and construction is DHA's preferred delivery method. This is due to the economies of scale associated with bulk procurement of

3 <www.aph.gov.au/pwc>

4 Defence/DHA, submission 1, p. 1.

5 Defence/DHA, submission 1, p. 1.

6 Defence/DHA, submission 1, p. 2.

7 Defence/DHA, submission 1, p. 2.

house constructions, surety of supply and higher margins associated with wholesale land development.⁸

3.17 DHA is currently undertaking 'broad acre' development and construction at Muirhead, a new northern Darwin suburb approximately 16km north by road from RAAF Base Darwin and 16km north east from the Darwin CBD. DHA is also in the final stages of negotiation for the transfer of another site that is located adjacent to the Muirhead development, which will provide another opportunity for DHA to develop houses that will provision the Darwin Region. Due to market forces the housing product delivered at these developments is mostly above the RB1 level, minimum entitlements of junior Defence members.⁹

3.18 Other options include the construction of on-base housing, the purchase of developed land (serviced allotments) followed by construction, the purchase of established houses, the upgrade of current houses and direct leasing of suitable housing where possible. Defence's review indicated that all of these options were required to meet Defence's housing needs.¹⁰

3.19 The alternative of upgrading the existing houses to Defence's minimum standard and NT Building regulations was investigated. The standard of existing houses is significantly below that provided to ADF members in other areas. The houses do not comply with the minimum standard of the Defence Housing Classification Policy (HCP) introduced in 2007.

3.20 Upgrading the existing on-base houses was not considered to be cost effective. While the upgrade option is initially marginally cheaper, it is more complex to deliver. Additionally this option lacked the long term viability and longevity of building new houses on RAAF Base Darwin.¹¹

3.21 The Committee is satisfied that the provision of new on-base housing is a suitable option to meet the need for the works.

Scope of the works

3.22 The scope of the proposed works includes:

- Redevelopment of the project area into an 80 allotment residential precinct of detached dwellings. The 80 dwellings will comprise of 50 three bedroom and 30 four bedroom HCP compliant Service Residences exclusively for Defence use.

8 Defence/DHA, submission 1, pp. 2-3.

9 Defence/DHA, submission 1, p. 3.

10 Defence/DHA, submission 1, p. 3.

11 Defence/DHA, submission 1, p. 3.

- Upgrade and construction of civil infrastructure to support the construction of the 80 contemporary single dwelling allotments, with an average area of 550m².
 - Retention and upgrade of the existing street grid, with new pavements and renewed drainage infrastructure.
 - Retention of over 75% of existing mature vegetation.
 - Development of a new central open space that is suitable for recreation and a number of community facilities.¹²
- 3.23 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

- 3.24 The estimated cost of the project is \$53.36 million, including GST.
- 3.25 The agencies provided further detail on the project costs in the confidential submissions and during the *in-camera* hearing.
- 3.26 The Committee considers that the cost estimates for the project have been adequately assessed by the agencies and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating the Committee makes no comment in relation to this matter.

Other considerations

Flood mitigation and community consultation

- 3.27 Flood mitigation is a key consideration in Darwin. Areas of RAAF Base Darwin, including the project site, have been subject to flooding in the past. Neighbouring off-base residents, particularly those in The Narrows, which adjoins the project site, have also been impacted.
- 3.28 To assist with flood mitigation, the project site has been partially redesigned to include additional stormwater runoff measures:
- ... over on the east side where this development abuts with The Narrows residences we have now engineered to include a flood abatement swale. This will be a grass covered channel. It will protect the [Narrows'] residences to the south-eastern side of our development from any flood that comes from the number of houses there that butt up to the residences.¹³

12 Defence/DHA, submission 1, pp. 13-14.

13 Mr Peter Howman, DHA, transcript of evidence, 18 August 2014, p. 3.

- 3.29 The new site plan is Submission 1.2. It is available on the Committee's website.¹⁴
- 3.30 At the public hearing, DHA stated that this design:
... takes into account the run-off resulting from the existing developed areas to the north, external of the project area, and addresses the current flooding occurrences during peak flow events downstream, both within and external to the project area.¹⁵
- 3.31 The stormwater plan for the project site addresses these complexities:
The actual stormwater plan is effective at a number of levels. The first is outside of our project area. The catchment of water will occur before it gets onto the project area, knowing that the stormwater is moving north to south. Once it is on the project area, there is significant rectification of the drainage within the patterns that we already have. There will also be a number of retention basins, which we have seen – in particular the one in the south-west part of the development. With regard to the swale and the stormwater that will be exiting our site, we are using a hydrodynamic separator. The hydrodynamic separator uses the cyclical action of the water to release some of the floating particles, and then it flows through some filtration to ensure that the water that is departing our site is appropriate with regard to the water-sensitive urban design of the greater Darwin area, the Darwin Bay area.¹⁶
- 3.32 Significantly, DHA stated that its stormwater plan and water capture and release methods will not increase flooding elsewhere:
It is important that we ensure that the water released is not greater than what has been released in the past. If we were to capture more water and release more water at a greater rate, we would essentially be flowing the flooding issue further downstream. The way we combat that is to retain water on site. We are doing that by having pipes and culverts that are greater than the initial size required so that the actual water system itself and the carriage of those pipes is able to retain water and ensure that, as the water leaves our site, it is leaving at essentially the same peak rate as it did previously.¹⁷

14 <www.aph.gov.au/pwc>

15 Mr John Dietz, DHA, transcript of evidence, 18 August 2014, p. 2.

16 Mr John Dietz, DHA, transcript of evidence, 18 August 2014, p. 7.

17 Mr John Dietz, DHA, transcript of evidence, 18 August 2014, p. 7.

- 3.33 The Committee is satisfied with the stormwater plan, the use of new technology and the redesign of the project site to improve flood mitigation. The Committee notes that separate flood mitigation works are being undertaken elsewhere on RAAF Base Darwin to address flooding on the base.
- 3.34 The proponent agencies undertook various community consultation activities with Defence residents, neighbouring residents, and the general public.¹⁸ This included a public community consultation session on 15 August 2014.¹⁹ Flood mitigation was raised as an issue during these consultation events.
- 3.35 A consultation session specifically for residents of The Narrows was held on 14 June 2014.²⁰ During consultation with residents:
- They raised concerns about the long-term issues of flooding that comes from the RAAF base. We presented with an engineer and DHA the solution as part of the modelling that had been done to date. We showed them the designs and how we were going to treat the water and alleviate the problem that is currently affecting them. They left that meeting very comfortable, knowing that we were doing something. By that stage we had already cleared the 15-metre verge that you saw today. We spoke to them on a one-to-one basis after the presentation to assure them that Defence was actually doing something. We gave assurance to them that, before the coming wet season, we would have that mitigation strategy in place to address the stormwater run-off from the RAAF base.²¹
- 3.36 The Committee is satisfied that the proponent agencies undertook adequate consultation with local residents and addressed their concerns, particularly with regard to flood mitigation. The Committee did not receive any submissions from members of the public and no members of the public attended the public hearing.
- 3.37 The Committee expects the proponent agencies to continue to consult with affected residents as the project progresses, and to address any issues that may be raised.

18 Mr Peter Howman, DHA, transcript of evidence, 18 August 2014, p. 6.

19 Mr Alan McClelland, Defence, transcript of evidence, 18 August 2014, p. 6.

20 Mr Alan McClelland, Defence, transcript of evidence, 18 August 2014, p. 6.

21 Mr Guy Taylor, Defence, transcript of evidence, 18 August 2014, p. 6.

Committee comments

- 3.38 The Committee notes the significant upgrades to civil and drainage infrastructure in this project, the retention of existing streets and trees, and the development of flood mitigation measures.
- 3.39 The Committee also notes the inclusion of a central open recreation and community space for residents that offsets the smaller housing allotments and increased housing density in the project site.
- 3.40 As noted in the previous section, the Committee is pleased with the community consultation undertaken as part of the project and expects consultation to continue.
- 3.41 The Committee is satisfied that the proponent agencies will undertake appropriate contamination tests at the project site in accordance with Australian standards, and follow the required remediation processes if contaminants are found.
- 3.42 The Committee did not identify any issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 3.43 Proponent agencies must notify the Committee of any changes to the project scope, time and cost. The Committee also requires that a post-implementation report be provided within three months of completion of the project. A report template can be found on the Committee's website.
- 3.44 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

Recommendation 2

- 3.45 **The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Development and construction of housing for Defence at RAAF Base Darwin, NT.**

Karen Andrews MP
Chair

28 August 2014