

Proposed development and construction of housing for the Department of Defence at Muirhead, Darwin, Northern Territory

- 2.1 The proposed development and construction of housing for the Department of Defence at Muirhead, Darwin would develop 930 residential lots, build 279 houses, sell most of the remaining vacant lots to the public and sell some to the Northern Territory Government.
- 2.2 The proposal was referred to the Committee on 10 February 2011.

Conduct of the inquiry

- 2.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the proposal. The Committee received four submissions, four supplementary submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 2.4 The Committee undertook a site inspection, public hearing and an in-camera hearing on the project costs on 3 May 2011 in Darwin.
- 2.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website.¹ Plans for the proposed works are detailed in submission 1: Defence Housing Australia (DHA).

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

Need for the works

- 2.6 The submission from DHA states that the works are necessary to meet (in part) the housing requirement for Defence personnel in Darwin. This requirement has significantly increased over recent years, as many of DHA's existing properties do not meet the standard required by the Department of Defence's *New Housing Classification Policy*, introduced in July 2007.
- 2.7 There are significant constraints in the existing housing market in Darwin, and DHA is unable to secure sufficient additional existing houses of an acceptable standard.
- 2.8 The Committee finds that there is a need for the works.

Scope of the works

- 2.9 The proposed scope of the works is detailed in Submission 1: DHA. Briefly, the project proposes the following works:
- development of stages 2 – 7 of the 167.6 hectare site in northern Darwin, including services, to create 930 residential lots, of which the smallest will be 450 square metres;
 - construction of 279 detached DHA homes on individual residential lots, of which most will be single storey houses;
 - sale of the remaining undeveloped residential lots, including 15% of lots to be offered to the Northern Territory Government for 'Affordable and Community Housing' purposes.
- 2.10 The proposal would be completed in stages: construction work for stage 2 would commence in November 2011, and the entire project would be complete in June 2019.
- 2.11 The Committee finds that the proposed scope of works is suitable to meet the needs of the Muirhead project.

Cost of the works

- 2.12 The total out-turn cost for this project is \$410 million, including land costs and GST. The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with DHA on the project costs.

- 2.13 The Committee is aware that DHA has had some difficulty delivering constructions in Darwin according to its proposed budget, and the Larrakeyah project is discussed in chapter 5 of this report. The Committee notes that, in the case of the present proposal, the project budget runs over eight years. The Committee sought DHA's assurances at its hearings that the budget is robust and conservative in order to ensure that the budget provision is sufficient for the entire project.
- 2.14 The Committee is satisfied that the costings for the project provided to it are adequate.

Project issues

- 2.15 During its public hearing in Darwin on 3 May 2011, the Committee heard evidence from three organisations which submitted to the Committee. The Committee was very pleased to have input from a diverse range of groups, and issues raised during the hearing are discussed below.

Block size

- 2.16 The Committee is well aware that there is a broad range of lot sizes, ranging from the minimum permitted size of 450 square metres up to 4,000 square metres. Evidence heard at the hearing suggested that the smallest block size is substantially smaller than the average lot size in Darwin.²
- 2.17 The Committee is also aware that DHA is seeking to create a development that can accommodate a range of different houses. Many of its clients – members of the Australian Defence Force with families – are deployed overseas for substantial periods of time, and their spouse or partner is effectively a single parent during those periods. The Committee is aware that large housing blocks with extensive gardens could in fact be a burden for many of these parents.
- 2.18 Additionally, part of DHA's agreement with the Northern Territory Government for the development of the Muirhead site, stipulates that DHA make 15 per cent of lots available to the Government for 'affordable housing and community housing purposes'.³ To this end, DHA is seeking

2 Miss M. Clinch, Planning Action Network Inc., *Transcript of Evidence 3 May 2011*, p. 17.

3 Submission 1: DHA, p. 5.

to provide lots that are smaller and hence less expensive. However, these lots will have street frontage similar to substantially larger lots, to ensure that, from the street, there is no obvious difference between large and 'affordable' lots.⁴

- 2.19 In summary, whilst the Committee is aware that there is concern in the Darwin community about the proposed size of Muirhead lots, DHA must achieve a balance between the competing pressures on the development. The Committee is satisfied that the proposed lot sizes and lot arrangement are a reasonable compromise between the different demands placed on DHA.

Block orientation and house layout

- 2.20 During its site inspection, the Committee visited two DHA houses in the suburb of Lyons, which is next to the proposed Muirhead site. The houses were of a similar size and construction cost, but were built with different orientation and layout. The more recent house had been situated on the block to catch the prevailing breezes, and with the use of louvre windows on three sides of the main living space, there was a significant difference in the internal temperature.
- 2.21 DHA has also proposed a block layout according to which most blocks will be oriented within 30 degrees of North. Combined with DHA's proposed 'building envelopes', the spaces between houses will act as breezeways, utilising the prevailing breezes to cool those houses.⁵ The Committee is impressed by these 'passive' cooling designs, which will enable houses to be comfortably cooled in the dry season with much less reliance on air-conditioning.

Site remediation

- 2.22 At its public hearing, the Committee sought DHA's assurances about the full remediation of the Muirhead site, especially given the site's previous use by the Department of Defence.
- 2.23 DHA subsequently provided the Committee with the 'Unexploded Ordnance Assessment' report,⁶ which was prepared for the Department of Defence in 2006, before the land was transferred to DHA.⁷ The report

4 Mr. P. Howman, Defence Housing Australia, *Transcript of Evidence*, 3 May 2011, p. 5.

5 Submission 1: DHA, p. 12.

6 Supplementary submission 1.5: DHA.

7 Mr. P. Howman, DHA, *transcript of Evidence*, 3 May 2011, p. 9.

concludes (in part) that 'The likelihood of UXO [Unexploded ordnance] being remnant on site is considered negligible' and recommends that 'no further UXO works be conducted within this site'⁸.

- 2.24 The report gives a fairly conclusive finding about the site's suitability for development. The Committee underlines the importance of DHA giving absolute certainty to potential buyers about the site conditions, and DHA must ensure that any discoveries made during the construction process are communicated to prospective buyers.

Social and cultural planning

- 2.25 After the Committee's hearing in May 2011, DHA forwarded additional documentation to the Committee regarding Social and Cultural Planning for Muirhead. This information has been taken as a supplementary submission to the inquiry, and is available on the Committee's website.⁹
- 2.26 DHA states that there are no social or cultural plans developed by the Darwin City Council that would apply to the project. DHA has consulted the Council about its requirements as part of the normal development approval process.
- 2.27 DHA's supplementary submission provides some detail about the existing local facilities, but there has been no effort to systematically assess the ultimate population profile in Muirhead. Given the size of the development – which will essentially constitute an entire new suburb – DHA cannot rely on vague assumptions about residents' social and cultural needs.
- 2.28 A social and cultural plan would address numerous questions, such as the community profile, community needs and expectations, community values, passive security and safety measures. Witnesses at the hearing raised concerns about the way Muirhead would integrate with the surrounding areas of Darwin, from a social and cultural perspective:

The area of Muirhead is fairly close to some areas within Darwin that have some significant youth issues. By not providing appropriate spaces for young people who are going to be forming part of that community, there is the possibility that that new community of Muirhead may be adversely impacted by some of

8 Supplementary submission 1.5: DHA, p. 12.

9 Supplementary submission 1.6: DHA.

the issues that are currently occurring in the northern suburbs areas of Darwin ... There has been an increase, from our own experiences, in the amount of young women who are engaged in criminal activity, and there is an increase in activity of young people relating to physical assaults and those kinds of things. If public spaces that involve families and the ability for community to come together are not provided, there is a risk that the community becomes fragmented and there may not be the ability to draw that community together as a community.¹⁰

- 2.29 The Committee is not suggesting that DHA necessarily provide facilities of a particular kind. Rather, DHA must properly understand the community needs to inform its decisions about the proposal. It is important that DHA undertake this work in all projects of such a significant size. DHA must be proactive about this, and cannot excuse its failure to undertake social and cultural planning merely on the basis that the Darwin City Council does not require it to be done.

Recommendation 1

The Committee recommends Defence Housing Australia engage a social and cultural planner for the entire Muirhead development (including consideration of stage 1), and incorporate the findings and recommendations of that plan into the present proposal (stages 2 - 7).

Recommendation 2

The Committee recommends Defence Housing Australia engage a social and cultural planner for all future developments that involve the development of more than 50 lots, regardless of how many lots Defence Housing Australia will retain.

Affordable housing

- 2.30 The Committee was pleased to take evidence from representatives of the National Foundation of Australian Women and the Young Women's

10 Ms. C. Hilton, YWCA Darwin, *Proof Transcript of Evidence*, 3 May 2011, p. 22.

Christian Association (YWCA) Darwin at its public hearing. Both witnesses raised important issues about the broader issue of affordable housing in Darwin and elsewhere, and the role DHA might play in providing that housing.

- 2.31 In relation to the present proposal, the witnesses suggested that, to assist the provision of affordable housing, DHA might consider:

‘...collaborative processes that could be undertaken with developers, NT government and the community, whether that is private sector investment or community organisations or the new Darwin affordable rental housing company...’¹¹.

- 2.32 The Committee is aware that public hearings provide valuable opportunities for different organisations and individuals to meet and discuss collaboration. The Committee is hopeful that the kind of ideas suggested by YWCA Darwin might be further explored by DHA, as a result of the discussions that began at the public hearing in Darwin.

Committee comment

- 2.33 Overall, the Committee is satisfied that this project has merit in respect of need, scope and cost.
- 2.34 Having examined the purpose, need, use, revenue and public value of the works, the Committee considers that it is expedient that the proposed works proceed.

Recommendation 3

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 the Department of Defence at Muirhead, Darwin, NT.

11 Ms. C. Hilton, YWCA Darwin, *Proof Transcript of Evidence*, 3 May 2011, p. 23.