

The need for the work

DHA rationale

- 2.1 The principal drivers articulated by DHA for the need for the proposed development can be summarised as follows:
- a DHA residential development will partially meet overall Defence needs for additional DHA managed dwellings in Canberra; and
 - the imminent expansion of the Australian Defence College (ADC) syllabi and Defence intention to collocate its three single Service Command and Staff Colleges at the ADC.¹

Alternatives

- 2.2 DHA examined three options, of which the construction of the proposed development was the preferred option. The three options were:
- direct lease from the private rental market;
 - direct purchase from the private property market; and
 - construction of properties.²

1 Transcript of evidence, pp. 1 & 2.

2 Transcript of evidence, pp. 2-3.

- 2.3 With regard to the direct purchasing and lease from the private property market, DHA advised the Committee in its submission that:
- properties are particularly scarce in Weston Creek and proximate suburbs; and
 - the rental market in Canberra is very tight with a vacancy rate of less than 2 per cent.
- 2.4 DHA considered that the above two factors severely limited both the direct purchasing and direct leasing opportunities in the ACT and made the constructed housing option the most effective.³

Consideration by the Committee

- 2.5 A number of aspects of the need for the proposed development were raised by the Committee with DHA at the public hearing. These were:
- alternative sites;
 - the mix of dwellings;
 - direct purchase from private property market; and
 - defence force housing requirement.

Alternative sites

- 2.6 The Committee questioned DHA if there were any alternative sites it was able to consider and why the Stirling site was the favoured one. DHA advised that the proposed site was identified as a result of a DHA and ACT government joint task force. DHA also advised that the proposed site had been zoned for residential development in 1993 and met the requirements that DHA was looking to achieve in putting together a development in the Weston Creek area.⁴

The mix of dwellings

- 2.7 The Committee questioned DHA as to the rationale for the mix of dwelling types on the proposed site. DHA advised that it tries to take into
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3 Transcript of evidence, p. 2.

4 Transcript of evidence, p. 32.

account the needs of different families and to design houses that meet changing family needs, and having done that the layout becomes an issue of what looks best on the site and makes best use of the land.⁵

- 2.8 The Committee also questioned DHA as to why it did not opt for a more intensive development. DHA advised that it was its desire to build in sympathy with the surrounding area. The proposed dwelling mix was chosen having regard to commercial factors and ADF need.⁶

Direct purchase from private property market

- 2.9 The Committee examined DHA's rationale for not opting for the direct purchase of properties from the private property market as an alternative to the proposed development. DHA advised the Committee that within Canberra it relies very extensively on the private market and that it has 400 people receiving a rental allowance.⁷ DHA also advised that it was conducting a campaign to expand the range of leasing arrangements, but where possible, and given that DHA is only meeting three-quarters of the total ACT demand, it is keen to do a development of the proposed type.⁸

Defence force housing requirement

- 2.10 DHA's submission to the Committee advised that Canberra is home to approximately 1800 Defence families and that the housing requirement will vary around this figure for the next several years (representing a net increase of approximately 50 houses by 2001).⁹ DHA also advised that DHA managed housing stock in Canberra is approximately 1300, the remainder either live in their own houses or are serviced through shorter term private sector housing leases subsidised by payment of rental allowance.¹⁰ DHA housing program for the Canberra area aims to provide for:

- a net increase in projected demand (50 houses);

5 Transcript of evidence, pp. 32.

6 Transcript of evidence, pp. 32-33.

7 Transcript of evidence, p. 35.

8 Transcript of evidence, p. 35.

9 DHA submission, 4 July 2000, p. 1.

10 DHA submission, 4 July 2000, p.1.

- stock turnover estimated at approximately 90-100 houses per annum; and
- an increase in the proportion of DHA managed stock.¹¹

- 2.11 Evidence submitted to the Committee indicated that over the next four years DHA will build 900 new homes at a cost of \$200 million.¹² The Committee questioned DHA about the apparent contradiction between that figure and evidence indicating growth over the next four years of 105 new homes.¹³ DHA advised that the 900 new houses related to an assessment of meeting the defence housing total demand based on the premise that DHA would move to manage approximately 85 per cent of the total demand.¹⁴ DHA also advised that the 900 new homes was a reference to total demand and that from DHA's point of view it builds when it has to and when it gets opportunities, and it focuses on the availability of land.¹⁵
- 2.12 The Committee is firmly of the view that ADF personnel and their families should be provided with good quality, reliable and cost effective accommodation where there is a demonstrated need for such accommodation. While the Committee accepts that there is a need for additional defence housing in the ACT, the Committee's task in determining accurately and unequivocally the need for the project has been made difficult by evidence provided to the Committee by DHA in its submission, at the public hearing and on notice.
- 2.13 In some instances the evidence presented to the Committee has been in contradictory, particularly in relation to the Canberra housing requirement for ADF personnel. For example, total DHA managed housing stock figures provided at the public hearing were not the same as those provided subsequently to the Committee. DHA also had difficulties providing an unequivocal rationale in regard to evidence stating that DHA would building 900 new homes over the next four years. The Committee concludes DHA's calculation of the Defence Force housing requirement for this project has not been satisfactory.

11 DHA submission, 4 July 2000, p. 1.

12 DHA submission, 4 July 2000, 15.

13 Transcript of evidence, p. 37.

14 Transcript of evidence, p. 37.

15 Transcript of evidence, p. 38.

Recommendation 2

- 2.14 The Committee recommends that in respect to future DHA projects referred to the Committee, submissions contain detailed defence housing requirement data and a detailed methodological explanation for the data.**

Survey of customer requirements

- 2.15 At the public hearing the Committee questioned DHA whether it had surveyed its customers so as to understand their preferences and needs. Defence advised that it had not surveyed specific families.¹⁶
- 2.16 The Committee strongly endorses the use of surveys as a means of establishing client preferences and needs.

Recommendation 3

- 2.17 The Committee recommends that DHA and/or the Department of Defence conduct ongoing surveys of Defence personnel to ascertain accommodation preferences and needs.**

Recommendation 4

- 2.18 The Committee recommends that in respect to future DHA projects referred to the Committee, submissions contain details of accommodation preference surveys and the methodology relating to the particular survey.**

Australian Defence College (ADC)

- 2.19 In its submission to the Committee DHA advised that the small net increase in Defence demand for housing in the ACT was partially attributable to the decision to collocate the three Single Service Command and Staff Colleges with the Joint Services Staff College at the ADC at Weston Creek.¹⁷ DHA also advised that the proposed development would

¹⁶ Transcript of evidence, p. 45.

¹⁷ DHA submission, 4 July 2000, p. 1.

be used to house a mixture of ADC staff, students and regular Defence personnel and their families.¹⁸

2.20 The Committee noted the following evidence from its Inquiry into the Defence Staff Colleges Collocation Project, Weston Creek, ACT:

Senator Murphy—I suppose this is really a question for Defence Housing, but I am curious as to how they are going to manage that. Will they have properties that will be vacant and then just move people in and out?

Brigadier Kelly—The current real estate situation in Canberra is such that, if the DHA cannot accommodate the numbers required, the commercial market can.

Senator Murphy—I understand that. I am just trying to understand the situation in terms of Defence housing and whether you would be better off just taking it out of the private market.

Brigadier Kelly—The DHA would do a business study on any of these initiatives that we have, and they would make a decision as to whether they should or should not build additional houses.

Senator Murphy—Have you been speaking to them? Has there been any communications with them with respect to this proposal?

Colonel White—I think they would be aware of the context of the proposal, but I suspect mainly out of the Queenscliff shift rather than a shift into Canberra. The personnel organisation is certainly aware of the proposal. They will be dealing with the housing authority, but they may not have spoken to them at this stage.¹⁹

2.21 At the public hearing into the proposed Stirling Development the Committee asked DHA whether the Department of Defence had advised DHA about the ADC in 1999 and whether it was possible for the Committee to be apprised of what the advice was.²⁰ DHA subsequently advised the Committee that there were a number of discussions between Defence and DHA relating to housing ADC students, commencing in June 1999, and provided related documentation.

2.22 It is the Committee's view that DHA's response and accompanying documentation indicates that the Department of Defence was aware that

18 DHA submission, 4 July 2000, p. 2.

19 Joint Committee on Public Works, *Official Committee Hansard*, Defence Staff College, Weston Creek, 11 June 1999, p. 53. See also pp. 19 and 43.

20 Transcript of evidence, p. 34.

there would be a need for accommodation in the ACT for students and staff who would be posted to the ADC and that DHA was not appraised of the need until late June 1999.

- 2.23 The Committee is also of the view that it would have been most helpful in its deliberations if DHA had provided the Committee with a copy of the business study²¹ as to whether DHA should or should not build additional houses.

Recommendation 5

- 2.24 The Committee recommends that the Department of Defence make DHA a party, at the earliest opportunity, to all discussions which may impact on ADF personnel housing requirements.**

21 Joint Committee on Public Works, *Official Committee Hansard*, Defence Staff College, Weston Creek, 11 June 1999, p. 53.