

Proposed development and construction of housing for Defence members and their families at Weston Creek, ACT

- 4.1 Defence Housing Australia (DHA) seeks approval to construct dwellings for Australian Defence Force (Defence) personnel at a site at Weston Creek, ACT.
- 4.2 DHA will develop 73 allotments for single dwelling lots and three multi-unit sites for the provision of housing, and intends to construct houses for Defence families on 50 of those lots.
- 4.3 The purpose of the project is to maintain or reduce the number of Defence personnel and their families residing in private rental accommodation in the Canberra area. It also aims to replace housing returned to investors at end of lease and replace existing housing that no longer meets Defence standards.
- 4.4 The cost of the project is \$39 million.
- 4.5 This proposed development and construction project was referred to the Committee on 9 May 2012.

Conduct of the inquiry

- 4.6 Following referral, the inquiry was advertised in *The Australian* on 30 May 2012 and the *Southside Chronicle* and the *Canberra Times* on 22 May 2012.
- 4.7 The Committee received four submissions to the inquiry, from DHA, local stakeholders and residents. DHA also provided a confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.

- 4.8 The Committee conducted a site inspection, public hearing and an in-camera hearing on the project costs on 9 July in Canberra.
- 4.9 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.¹

Need for the works

- 4.10 Approximately 2,800 Defence personnel with dependents reside in the ACT area. The majority of these personnel work in or close to the Russell Offices complex or at the Australian Defence College (ADC) in Weston Creek.²
- 4.11 Rent Allowance (RA) is the provision of an allowance to assist members in sourcing their own accommodation in the private rental market. The proportion of families in the ACT receiving RA is 13 per cent (240 families), below the Defence and DHA target of 15 per cent. This project will assist DHA to ensure that the proportion of Defence families in private rental accommodation and receiving RA does not increase above 15 per cent.³
- 4.12 DHA must also factor in the 'churn' created by leased houses reaching end of lease requiring replacement. DHA stated that the Weston Creek proposal would provide 50 dwellings and would contribute significantly to maintaining the RA level in the ACT below 15 per cent.⁴
- 4.13 In the ACT, there are limited opportunities to construct housing on-base and other regular DHA development options are not feasible or have not been able to keep up with the Defence housing requirement and the churn created by end of lease. DHA stated that the purchase and development of the well-located, 'broadacre' Weston Creek site is DHA's preferred delivery method and would assist in meeting the need for Defence housing in the ACT.⁵
- 4.14 The Committee is satisfied that there is a need for the works.

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

2 Defence Housing Australia (DHA), Submission 1, p. 1.

3 DHA, Submission 1, p. 1.

4 DHA, Submission 1, p. 1.

5 DHA, Submission 1, pp. 2-3.

Scope of the works

- 4.15 The project involves the construction of road and civil infrastructure for a housing development comprising 73 single dwelling lots and three multi-unit sites (for up to 47 dwellings), followed by the construction of approximately 50 single dwellings for Defence use.⁶
- 4.16 Subject to Parliamentary approval, civil construction will commence in January 2013, with dwelling construction planned to commence in January 2014 and be completed by December 2014.⁷
- 4.17 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

- 4.18 The overall project cost is \$39 million, including GST but excluding the cost of the land.⁸
- 4.19 The cost will be met by DHA and will be recovered through the sale of individual lots, dwellings and the sale of DHA constructed dwellings through its Sale and Lease Back program.⁹
- 4.20 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

Project issues

Consultation

- 4.21 DHA stated that it engaged in consultation with various community and educational entities when preparing the Estate Development Plan, and met with relevant statutory authorities from February 2010.¹⁰

6 DHA, Submission 1, pp. 7-8.

7 DHA, Submission 1, p. 16.

8 DHA, Submission 1, p. 15.

9 DHA, Submission 1, p. 15.

10 DHA, Submission 1, p. 6.

- 4.22 The Orana Steiner School (Orana) made a submission to the inquiry, stating that DHA had failed to consult with the school, formally or informally, concerning the proposal.¹¹
- 4.23 Orana submitted that it had concerns about the likely turnover of residents, the impact on traffic in the area, and the commissioned social impact survey.
- 4.24 The Principal of Orana added:
- ... I reiterate that our school community is not opposed in principle to this development and it may be that the issues we have raised in this submission are either misconstrued or resolvable.¹²
- 4.25 DHA stated that the development complies with the relevant codes and that two traffic studies have been undertaken, one of which will be provided publically as part of the development application public notification period.¹³
- 4.26 DHA stated that Orana would have been involved in consultation by the ACT Planning and Land Authority (ACTPLA) regarding the rezoning of the land in 2008:
- ... the north-western concept plan and deed of agreement ... were developed by ACTPLA after extensive consultation with the local community as part of the rezoning of land in the greater Molonglo and north Weston areas in 2008. We understand that, through the rezoning consultation phase from 2006 to 2008, ACTPLA had many meetings with the Orana school to discuss this site and the broader rezoning.¹⁴
- 4.27 DHA stated that it is not involved with local planning, rather the execution of such plans. DHA indicated that it is yet to consult with Orana as the school is not a direct neighbour and so will not be affected by the development in the way that direct neighbours would be:
- ... we have not yet consulted with them and have no need to consult with them at present because the discussions to date have been around planning, which we have not been involved in. They have had a lot of discussions with the ACT authorities, and we have been speaking with those authorities about the discussions
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11 Orana Steiner School, Submission 3, p. 1.

12 Orana Steiner School, Submission 3, p. 2.

13 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 2.

14 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 2.

which they have had with the Orana school. So we are quite understanding of what those discussions have been about, and they have all been to do with planning. We are not involved with planning; we are involved with the execution of the plan. When the time comes to execute the plan, we intend to meet with the Orana school, as we have always planned.¹⁵

4.28 DHA stated that consulting with Orana at this point would not be productive:

... we do not want to waste their time or our time. Any consultation we did with them at the moment would only be to do with how the road will occur in the future, and we plan to do that when the time is right. We do not have the information on that road yet because our DA is not approved, so it would be a pointless exercise at the moment.¹⁶

4.29 DHA also stated that Orana could have contacted DHA at any time as any other person in the public could have.¹⁷ DHA did agree that it could have been more proactive in notifying Orana of the proposed development and the consultation process.¹⁸

4.30 DHA confirmed that there will be a proper process for the school to be consulted in an ongoing way, and will approach the school once the DA is approved.¹⁹

4.31 DHA accepted that it would be a good idea to have a policy that all near neighbours are consulted from the outset so that those neighbours do not feel as though they have been ignored or their concerns disregarded.²⁰

4.32 Another submission, from neighbouring residents Helen Lucy and Andrew Shepherd, raised concerns that community issues had not been addressed in DHA's submission to the inquiry. These issues included overshadowing or overlooking of local residents, increased traffic, and restricted access to services such as schools and supermarkets.²¹

15 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, pp. 4-5.

16 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 5.

17 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 5.

18 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 6.

19 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 5.

20 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 7.

21 Helen Lucy and Andrew Shepherd, Submission 4, pp. 1-2.

- 4.33 DHA explained that local residents had been directly consulted about the proposal:

... the reason for that is that some concerns came back to us that they had with our site overshadowing and being able to look into it. We were aware that they had a concern with us. They approached us, so we set up a meeting and had a meeting with those people.²²

- 4.34 DHA stated that they had met with these residents at a community information session on 14 May 2012, following a letter box drop to 39 adjoining residents in Heysen Street. Twelve groups attended the session:

The majority of their concerns raised at that community information session was the information with Heysen Street and the setback of the multi-unit sites. The residents were concerned about the size and scale of what was going there. When we took them through our estate development plan design and also, cross-sections that we had formulated, the knowledge that the sites are capped at a two-storey height limit above natural ground level and the setback from front to front between Heysen Street and our site is in the order of 60 metres with vegetation in between and supplementary plantings, everyone became fairly comfortable with what we were proposing.²³

- 4.35 DHA reiterated that the multi-unit sites would be approved under different processes, allowing residents to raise concerns through those processes.²⁴

- 4.36 The Committee received subsequent correspondence from other local community groups that contended that DHA did not engage in adequate consultation with local residents and community groups.

Committee comment

- 4.37 The Committee recognises positive consultation processes and outcomes in other DHA projects and commends DHA's focus on being a 'good neighbour'.
- 4.38 However, the Committee suggests that it would be to DHA's advantage to engage in initial notification to all near neighbours, followed by widespread and ongoing consultation, on all current and future projects,

22 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 5.

23 Mr N. Stabb, DHA, *transcript of evidence*, 9 July 2012, p. 6.

24 Mr P. Howman, DHA, *transcript of evidence*, 9 July 2012, p. 6.

regardless of whether such neighbours might have anticipated concerns or not. A more inclusive approach may lead to more effective relationships with local stakeholders.

- 4.39 The Committee was concerned about the quality and veracity of evidence provided by DHA relating to consultation for this project, particularly as subsequent correspondence from local stakeholders raised concerns that community consultation had not been adequate. Not contacting Orana was a serious omission in the consultation process.
- 4.40 Further, the Committee suggests that DHA monitor closely the feedback from the consultation process and respond immediately to any concerns raised by local stakeholders.

Recommendation 3

The Committee recommends that Defence Housing Australia engage in widespread, pro-active and ongoing consultation with all relevant local stakeholders that are likely to be directly or indirectly impacted by any proposed development, irrespective of the stage of the town planning process. A more inclusive approach, particularly during the project design stage, is likely to foster effective relationships with relevant stakeholders, including individuals and community groups.

Final Committee comment

- 4.41 The Committee was satisfied with the evidence provided by DHA regarding the proposed development and construction of housing for Defence at Weston Creek.
- 4.42 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 4

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: Proposed development and construction of housing for Defence members and their families at Weston Creek, ACT.

Ms Janelle Saffin MP

Chair

20 August 2012