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JOINT COMMITTEE ON PUBLIC WORKS

Reference: Construction of housing for Defence at Fairview Rise, Ipswich, Queensland

TUESDAY, 16 MAY 2006

IPSWICH

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**JOINT STATUTORY COMMITTEE ON
PUBLIC WORKS**

Tuesday, 16 May 2006

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Forshaw, Parry and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

Members in attendance: Senators Forshaw, Parry and Troeth and Mr Forrest, Mr Jenkins and Mr Wakelin

Terms of reference for the inquiry:

To inquire into and report on:

Construction of Housing for Defence at Fairview Rise, Ipswich, Queensland

WITNESSES

BEAR, Mr Richard James, General Manager, Development and Sales, Defence Housing Authority..... 1

KEMP, Mr Gavin Stewart, National Development Manager, Defence Housing Authority..... 1

KENNEDY, Mrs Bronwyn Margaret, Regional Manager, South Queensland Housing Management Centre, Defence Housing Authority 1

SMITH, Mr Stephen John, Urban Design Manager, Deicke Richards..... 1

WENDT, Mr Ellis Wendall, Development Project Manager, Defence Housing Authority..... 1

Committee met at 11.07 am

BEAR, Mr Richard James, General Manager, Development and Sales, Defence Housing Authority

KEMP, Mr Gavin Stewart, National Development Manager, Defence Housing Authority

KENNEDY, Mrs Bronwyn Margaret, Regional Manager, South Queensland Housing Management Centre, Defence Housing Authority

WENDT, Mr Ellis Wendall, Development Project Manager, Defence Housing Authority

SMITH, Mr Stephen John, Urban Design Manager, Deicke Richards

Witnesses were then sworn or affirmed—

ACTING CHAIR (Mr Forrest)—Good morning. I declare open this public hearing into the proposed construction of housing for Defence at Fairview Rise, Ipswich, Queensland. This project was referred to the Joint Committee on Public Works on 1 March 2006 for consideration and report to the parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to -
- (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, or the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

Earlier this morning the committee received a confidential briefing from the Defence Housing Authority and inspected the site of the proposed works. The committee will now hear evidence from the Defence Housing Authority. Thank you for meeting with us today. The committee has received a statement of evidence from the Defence Housing Authority. This will be made available in a volume of submissions to the inquiry and is also available on the committee's website. Does DHA wish to propose amendments to the submission that has already been made to the committee?

Mr Bear—No.

ACTING CHAIR—I now invite a representative of DHA to make a brief opening statement, after which we will proceed to questions.

Mr Bear—We do not need to add anything to what we have put in our submission. We stand by what is in the submission.

ACTING CHAIR—Thank you for organising the detailed inspection this morning. It is always worth while to see the site which we are considering. I report that we have had a detailed examination of the commercial-in-confidence information, but for the public record I need DHA to provide an explanation of the amount of \$50.7 million referred to the committee. That represents outgoing expenses—if you like, cheques written out.

Mr Bear—That project cost of \$50.7 million represents what DHA expects to spend on construction, professional fees and all expenses associated with undertaking this construction, including the payment of GST, notwithstanding that some of that GST may be credited back to the DHA through the input credit arrangements.

ACTING CHAIR—Other committee members might want to pursue that question, but that is good for the record. I also advise the witnesses that the other purpose of the committee is to satisfy the parliament that all proper processes have been observed in the expenditure and exchange of public moneys. I understand that the construction of the civil works is a separate contract or arrangement and there is also the construction of the dwellings. DHA have entered into special arrangements to deliver variety of design and also some certainty about costs. Could you run the committee through that process, please, particularly in reference to the builders.

Mr Bear—My colleague might add some more details. Primarily with the civil works we undertook a process of receiving expressions of interest from companies interested in undertaking that work. We will have a tender process for those companies short-listed to undertake the civil works part of the process. When it comes to constructing the houses, we will have a public expression of interest process to establish a panel of builders and then we will undertake internal select tender processes with those builders. To ensure that we get houses that are compatible with the environment that we are trying to create and that what the builders tender through the design and construct process is compatible with the estate, we will use a professional architect service.

ACTING CHAIR—How is the architect selected?

Mr Kemp—Basically we went to two architectural firms and asked them to give us submissions, primarily to undertake the development of a development control plan mechanism. There is no design component to these houses. The houses are in fact project homes which are being developed by builders, and through the select panel arrangement we will be using those designs on the site. The architectural services are to basically look at developing guidelines and ensuring we get some degree of conformity to those guidelines for the development.

ACTING CHAIR—So the architect sets facade design themes.

Mr Kemp—I think you could say the architect sets the scene in terms of what we want to gain from the development, and then the process is to go to the market and, using contemporary homes available in the market, have those suited to how we want the look and feel of that development to be. So the actual design input is, in a sense, fairly minimal. It is more a control process. We are not designing the houses at Fairview Rise; they are in fact project homes

available to anyone who wishes to buy a home from the range available from the builders on the select panel.

ACTING CHAIR—I now go to the builder. What is the process by which the builder for a particular home for a particular lot is selected?

Mr Kemp—As Mr Bear has pointed out, we have an expression of interest in the first place which is open and is advertised in the press. Interested parties apply for the expression of interest documentation. They provide a submission, which is then evaluated, and, from that, builders with the relevant capabilities are selected and put on the panel. When we then tender, we provide the tenderers with our specifications for housing, which basically outline what we require in our housing. There are other documents, obviously—conditions of contracts and conditions of tendering, a number of documents—that make up our suite.

The tenderers then look at the land information provided to them in terms of what the actual blocks are they have to tender on. The intention is that they look at their range of products and determine the most suitable home that they wish to offer on a block-by-block basis. They make a bid on that basis individually for each block. These bids are then analysed by our quantity surveyors and we look through the selection criteria we apply to ensure that they are in fact meeting our requirements, that they are marketable and that they have an economic price. From that process, we end up with a winner or winners, because we may take all from one builder or we may have better offers on some blocks. We almost mix and match. From that, we expect to get a contemporary product meeting the current market standards, suitable for the blocks of land and at an economic price.

ACTING CHAIR—I might be missing a few steps there. A conventional tender, where a builder is presented with some detail of the home, is a different process. One of the four builders will get a particular site. How do you get a selection that satisfies proper probity? It ultimately comes down to value for construction, doesn't it? That is the question you have to resolve.

Mr Kemp—The selection criteria documentation that we work to is probity approved and we therefore follow an evaluation plan which has been approved by probity lawyers. Following that plan, we therefore end up with a probity approved process that tells us, in all round terms, the best offer for this block. We do it, in a sense, block by block. If you have, for example, a 20-house package, it is not inconceivable that builder A could have the best offer all round on seven of the blocks; builder B perhaps would have it on eight of the blocks; and the remaining five would be with builder C. The methodology you are referring to is whereby the client, in the case of DHA, would provide a design and then that common design is priced by builders. The methodology that we use for project homes is a design and construct methodology, where the design and construction lies with the builder. He is basically matching his product up against our general requirements, so it is a different methodology. In this case, we do not provide design; he does. The methodology you are referring to is the more conventional one, as you said, which is that we provide a design and the same design is priced by several tenderers. It is a different type of methodology. Project home delivery is basically going and evaluating product in the market, designed by the builders, for its suitability to our requirements.

ACTING CHAIR—Are there special reasons why DHA adopts this approach that justify the potential risks or the need for proper probity scrutiny? There are obviously reasons why you depart from the conventional method.

Mr Kemp—It is a standard methodology that we use predominantly in all our housing delivery. The risk profile lies solely with the contractor because he is responsible for the design and the construction. The designs are proven in the field. He is building them not only for us but also for many other members of the public who wish to buy a house. The designs have been designed by his own drafting people and are often highly refined. The designs that he is building are market contemporary in the sense that he is selling them to the market. He cannot afford to fall behind, so we are continually getting the best of the product that is available on the market. We are getting where the market is going and we are not having to follow it and to find out ourselves. We are staying up with market requirements and the market product selections. So we find it quite an effective way to be able to provide housing which is modern and current and in essence it allows us to get the product we want with a minimal amount of risk. And it is cost effective.

ACTING CHAIR—You go through all that process, and then the land, which is your interest, and the home that is built on it is open to the market. There has to be a process by which you establish the minimum price to be accepted for the sale of the package. How does that work?

Mr Bear—We use our network of sales profiles. We know what the market is doing in different areas. In addition to that, we employ valuers. We then look at what those sorts of properties are selling for in the market and we put the properties on the market for that value. The values are independently assessed by professional valuers.

ACTING CHAIR—What if you have overspent?

Mr Bear—If they value the product at less than what we have spent then I have some explaining to do.

ACTING CHAIR—I have a few more questions but I will give other committee members an opportunity.

Senator FORSHAW—Could you put on the record in this public hearing the reason why all the dwellings are going to be four-bedroom or family residences?

Mrs Kennedy—The reason that the dwellings are to be four-bedroom, as I stated earlier in the confidential briefing—

Senator FORSHAW—I should say that this is not a criticism but I think it is important, given the history of other developments that DHA has done.

Mrs Kennedy—There are two reasons. One: that is what families want to live in today. Defence families are no different from the private sector. There, everybody is looking for more space with growing families, et cetera. The larger homes are definitely more desirable. This land we have at Fairview Rise gives us an opportunity that is not always available to us, inasmuch as the land size, the lots themselves, are larger than we would find, for instance, in Brisbane—

certainly close to the city. We have an opportunity to give the members what they want—to give them larger homes so that the children have the backyard space.

The second reason is that Fairview Rise, as we saw when we drove through this morning, is already made up of that standard—in fact, some of them are far bigger than four-bedroom. I think we saw quite a lot of five- and six-bedroom homes, double storey. They have a bit more advantage than we will have. Definitely that is the standard that already exists there. You would really upset the balance of the estate if you started putting in small boxes.

Senator FORSHAW—I understand that is also where the major demand is—for those types of buildings.

Mrs Kennedy—The location, as we said earlier, already houses Defence members throughout the estate. It is the proximity to amenity and to the base that makes it desirable.

Senator FORSHAW—My second question relates to open space. I note that there is an area on the plan, and it is also referred to in the submission, of around two hectares that is going to be left for open space. It is down one end of the area. What is the total size of the entire project with both stages?

Mr Kemp—The land area is, I believe, 19.64 hectares, of which the drainage reserve/open space is around two hectares, which is 10 per cent. It is a normal council requirement that 10 per cent of developments be provided as open space in some shape, manner or form. The open space we provide there has, in essence, a drainage use. It is not a park; it is not something that will require cutting; it is actually a seminatural area. Partly its function is stormwater control. It obviously has some town-planning benefit in that we are not looking to build all over the land there. We are actually trying to create a community. It is also an opportunity to retain some of the vegetation on the site, which does have some value. Large parts of the sites are regrowth from the early 1970s. The land was used for grazing up until that time.

We are looking at the site and looking at the fact that we need to provide around that 10 per cent mark. We thought that this was an ideal opportunity to not only deal with questions of stormwater but also to deal with questions of retaining some of the ecological values of the site to give something to the community. They have an open space and a place where they can go and enjoy that. We have looked at various town-planning principles of connectivity for people, pedestrians, et cetera. So it is really part and parcel of our aim to create a community, give them a sense of place and give them a community that is pleasant to live in. All that came together and the council are keen for us to provide that 10 per cent. At the end of the day we have come up with a fairly good response to that requirement which is more than just the provision of 10 per cent.

Senator FORSHAW—That area is in phase 1. In your submission it is the yellow coloured section. Is there any area within or near phase 2 set aside for, say, playground type facilities or a small park area? I notice that up near blocks 52 and 53 it says 'park'. In other developments I have seen, both DHA and others, there is often a space left for a children's playground area, particularly in an area where there is expected to be a lot of families.

Mr Kemp—I will answer that question in two parts. You refer to two blocks, 52 and 53, and there is a small green segment marked there. In fact that is the completion of park works that we will undertake as part of this project. That is an existing facility, which is primarily a bushland type park with an area for barbecues. It has a covered entertaining area. In this project we are completing that part of the park, which was left from the previous development. In discussions with the council they felt that the drainage area we have just discussed and the completion of this area was quite adequate.

The second part of my response is that, in dealing with councils, it is on occasions difficult to get them to accept the parks because at the end of the day they pass into the public domain and consequently they have an interest as to what the ongoing maintenance cost will be. In our discussions with councils, while we may wish to do something, we have to be conscious of what their requirements are. Again, it is an example where we have had the discussion and we have tried to come up with an answer that addresses some of the things we would like to see for the community but also gets council's agreement as to the extent of the provision.

Senator FORSHAW—Increasingly there are issues regarding insurance, safety and meeting Australian standards on playground equipment that are confronting councils around the country.

Mrs Kennedy—They have actually been taken from lots of communities because of that.

Senator FORSHAW—I do not want to get off the topic. You would normally have seen that sort of space, I would have thought.

Mr Kemp—The senator is quite right. It is not just the ongoing maintenance, but questions of public liability these days are very much at the forefront with all organisations, including councils. Therefore, these decisions are taken with a high degree of regard to that and consequently we in a sense go with the flow with councils and try to do what we can, but we certainly do not wish to be seen to be dictating to them.

ACTING CHAIR—Just on that, my understanding is that that drainage reserve is completely unsuitable for construction for housing because of steep slopes and the need to keep the waterway open. It does make the subdivision much more expensive. The fact that a whole road frontage curve and channel has to be constructed, with housing only on one side, makes those sites more expensive. I imagine you have done your own cost-benefit analysis to establish that that is a reasonable design.

Mr Kemp—We believe it is a reasonable design. In fact, the benefit will be reflected in the fact that that amenity will add attraction to those houses which front it. Those houses are going to be highly desirable for that reason. The money that we are spending on the drainage reserve, as we are calling it at the moment, is not tremendously significant. It is really just a case of trying to bring it back to where it must have been at one stage. When we saw it this morning I think you saw some signs of debris et cetera that has been dumped. We are in a position of cleaning it up, bringing it back to its seminatural state and looking at some stabilisation works through there. There has been some erosion because of the types of soils that exist within that gully. Our works are not massive. In my opinion we are going to get a tremendous return for the amount of money we are going to invest in that area in terms of the amenity that we are going to see coming to the houses.

Mr WAKELIN—I have a couple of quick questions on the timeliness of the project and the expected increase in the demands of your clients. Can you give us an outline of how you match that up with expectations of the expansion of Amberley?

Mrs Kennedy—It is a bit of both. The timeliness is nearly spot-on, or as near as it can be for a large construction program. The first large influx of families is expected in 2008. I am currently on the project team that is handling that with Defence. Because of the difficulties of getting the families here, they will be coming in separate contingencies as the families vacate. The timeliness should be spot-on, bearing in mind any delays on the site—and I would have to go to Gavin for that. There is a buffer zone in there. The first stage will be timely.

Mr WAKELIN—So that is coming along as well as we could hope for.

Mrs Kennedy—Yes.

Mr WAKELIN—What is the location in relation to Amberley? Can you give me an understanding of the immediacy and the transfer of people and the family considerations?

Mrs Kennedy—I provided my own map to Senator Troeth. It is a very crude map but I think it spells it out. The distance between Flinders View and Amberley Air Base by car is approximately 15 minutes. So it is well placed. As you saw this morning, it is off-ramp and straight onto the highway. The access to the base is immediately off the highway. There is no navigation of any suburban streets. The location in relation to amenities has also been itemised on that map.

Mr WAKELIN—You mentioned earlier that there is a spread of people through the whole community and this is just one component of it.

Mrs Kennedy—We have to remember that the Ipswich community is fairly close-knit. It is not a spread-out community like other areas—certainly like Brisbane. Amberley Air Base is not far from Ipswich. Everything is in close proximity, including the other estates where we have families resident.

Mr WAKELIN—It appears that it is relatively highly valued by defence families to have that proximity. There are a whole lot of practical factors in that.

Mrs Kennedy—Most certainly.

Mr WAKELIN—And you feel that you are meeting that need?

Mrs Kennedy—This move of the families that we are talking about is a little bit two-pronged, with the introduction of the megabase at Amberley. Firstly, when families move into a location they are in a comfort zone. They are used to having all the things that other families want—being able to join the local Scout group, going to swimming classes et cetera. They do not want to be in areas that are isolated new developments. That is one good point about Flinders View. The second plus for the families, I believe, working at the pointy end with the mums and dads myself, is that they are predominantly coming from Puckapunyal, which is an on-base area, and they have been used to living in a fairly close-knit community.

The 9FSB, 9 Force Support Battalion, will be the largest contingent moving in in 2008. Their spouses, the defence members, are away from home currently for 10 months of the year on training exercises. They are a fully deployable unit. The whole idea for them to move to Amberley is so that the spouses, the members, can have an extra month at home when they will not be travelling. But there is reluctance from the families whom we have spoken to at Puckapunyal. They have been used to living on a base where everything is catered for them and where they are with other support members, and they are a little nervous about moving into a community and being dispersed. That is why we see this as an ideal opportunity both for those who wish to live as neighbours with other defence families and for those who want to be dispersed.

Mr WAKELIN—Those are exactly the thoughts that were going through my mind: this double-edged approach and how it all fits together as best it can. My next question is totally unrelated to that part of the project. Is the vegetation in the area the original native vegetation or is it regrowth?

Mr Kemp—That is regrowth.

Mrs Kennedy—Yes, that is regrowth.

Mr WAKELIN—What was there previously? Was it a grazing type property?

Mr Kemp—Yes. The aerial photographs taken are available for the site.

Mr WAKELIN—I heard you say that this morning and I looked at it and thought there was strong regrowth.

Mr Bear—It grows pretty quick here.

Mr WAKELIN—Yes. You get the moisture.

Mr Kemp—It is termed regrowth by ecologists. I do not profess to be an ecologist, but I can certainly see their point. The aerial photographs that we looked at from the early seventies showed some vegetation—which I suspect includes the larger ones that you were thinking of—with the rest of the area being used for grazing purposes. On the cessation of grazing, trees being what they are they just start to sprout up. But, as I think you saw this morning, some of them are probably no more than an inch or two in diameter. I do like the trees, of course, but they are a bit spindly, to put it mildly.

The important thing, I think, is that we did do quite a large amount of work on the ecology with Chenoweth, our consultants, with a view to seeing what was there and working out what value we could try and retain. As I said earlier, the open area does have some things which are worthy of retention. We had to build housing there, so we focused our attention on working out where we could try and retain some of the ecological value. That is what we have done there. It has been a balance and we certainly looked at the issues. We did quite a lot of work to ensure that we were making the best use of the site.

Mr WAKELIN—My question is specific in terms of the regulations which allow that to be cleared totally and left within these arrangements and the discussions we had about why we leave certain open spaces. There is a requirement to leave a certain amount, but the regulation which allows the vegetation to be cleared is quite clear cut.

Mr Kemp—Yes. It is part of the development application approval. Ipswich City Council is the body which dictates on what basis we can do it. What we are undertaking is with the approval of Ipswich City Council through the development approval. It is not something that we do off our own bat. We do not have that kind of—

Mr WAKELIN—Will the dozers go in and just clear-fell?

Mr Kemp—We will clear as we require to clear. We are not looking to ‘moonscape’ that site. We are doing it in phases, which means that the stage 2 stuff will stay as it is. We will only look to take out what we are going to take out when it is necessary to do so. The reason for that, apart from anything else, is that we want to hold onto the soil that is there. We want to keep erosion under control. Obviously, you clear in a smart way and you certainly do not look to clear and then leave it. We will be progressively taking these factors into consideration.

ACTING CHAIR—How will you do that? Presumably, you want to have all the roads built all at once. You would not strip the roads and then come back and strip the blocks later, would you?

Mr Kemp—I obviously will not do it myself, but the contractors basically will be looking at what is the most sensible way in which to take out the trees and the control measures they need to put in place to make sure it is under control. But, as I said, I am not the civil engineer and contractor there. There are compliance issues in terms of how we go about doing things. The contractors have to comply and we have to check and ensure the compliance is there, as the city council in fact checks that we are checking.

Senator TROETH—I had a couple of questions about the site services that are available. You have mentioned that the quality of the stormwater run-off will require a degree of improvement before it enters the open channel. What work is required to the stormwater system and how will it affect costs?

Mr Kemp—The stormwater quality will be maintained using natural methods—quite simply, in the swales we will have grasses which just filtrate everything out of it. There is no man-made mechanism, if I can put it that way. We are not talking about great areas of concrete channels and we are not talking about putting in cross-pollutant traps and things of that nature. Again, what we are trying to do is put in a natural, water sensitive urban design.

Senator TROETH—You also mentioned that Origin Energy advised you that gas is available in close proximity to the site. Will the site be connected to gas?

Mr Kemp—Correct. The wording there implies that we will. We always check with them to make sure what is there and then we appropriately source power, but we will be having gas there. It is fairly normal for us to arrange that with the supply authority.

Senator TROETH—Similarly, Telstra have confirmed that they can supply the necessary connections, and I think Telstra has advised that the required upgrades would be provided at their own cost. Is that Telstra's own cost?

Mr Kemp—Yes. Primarily we will be delivering 162 new customers to them, so they are very happy to see us—as is Origin Energy, by the way. They are looking on the bright side too.

ACTING CHAIR—On that question, are they anticipating that it will be proper broadband facilitation or are they just going to provide telephone?

Mr Kemp—I cannot actually answer the question of broadband. It would depend on what they feel: as in any other suburb, if there is a demand, they will provide.

Mrs Kennedy—I would think they would put it in now, because that is the community standard. They are pushing it for their own profit anyway.

Senator TROETH—You probably covered this in an earlier question: how many different types of housing design will be used in the project, or will that be up to the builders, as you indicated earlier?

Mr Kemp—In fact guess it will be more up to us because, part of our development control plan mechanism, which I described earlier, will be looking to create the opportunity for a variety of designs to be encouraged. So we will be creating the opportunities for the builders, and their response is to cater for that. If you like, the opportunity is created and then the answer will come from them. We will be looking to do that because uniformity of housing is, I must admit, the last thing I would be looking for. We are looking to create a very nice suburb here but one which reflects Ipswich and one which reflects living in a normal suburb. We do not want people to think they are living in anything other than what they would expect to be if they were in the greater community.

Mr Bear—Because we are controlling the whole suburb, we will be able to control what is built next door and over the road to preserve the streetscape process. That is very important.

Senator PARRY—On page 16 of the original submission, it says 600 letters were sent out in January 2006 to residents and there was another consultation and public meetings et cetera. Was there any negative comment from any entity or any individual?

Mr Kemp—The general sentiment of the public meeting was that there were some questions which normally arise about matters such as vegetation and stormwater. They are all standard responses. We dealt with them on the night, and the members of the public who raised them were quite happy. To be honest, the vast majority of public response I had on the evening, and subsequent to it, was: when can we buy one of the houses on the sale and lease back program? There are obviously concerns, but the whole reason for having a meeting is to have those concerns brought out and to have the opportunity on a face-to-face basis to answer those problems. I think we have done that.

There are number of issues that individuals raised but we had ourselves there and our consultants—we had everybody on hand, hopefully, to be able to give people an answer on the

evening. Subsequent to that I have answered quite a number of email inquiries which have come direct to me, and I have gone back to the people with responses to the questions they have raised.

Mr Bear—I might also add that we have briefed a local member, Cameron Thompson, and ensured that his staff are across what is happening, and we have received no further follow-up issues out of his office.

Senator PARRY—Have you received any written communication that addresses concerns that you have not been able to ameliorate in any way?

Mr Kemp—I do not believe so.

Senator PARRY—Changing the subject to sound attenuation on the highway—from the site inspection this morning we found that it is a fairly noisy highway. What is the process there for addressing the sound?

Mr Kemp—One of the agencies, the concurrency agency as well as Ipswich City Council, is the Department of Main Roads for Queensland. The Cunningham Highway is a road that is under their control so therefore, in getting a development application, we had to provide to the DMR information on the suitability of what we are doing. The upshot of that is that we basically have to construct an earth mound with an acoustic fence on the top which will run along the southern boundary of the Cunningham Highway. It is our intention that we would also look to landscape that area so that the houses are basically looking onto a pleasant outlook rather than having a large, concrete, acoustic type wall. So we are trying to find, in essence, a ‘soft’ finish to that problem.

In the development approval there were a number of blocks where they have actually said we have to do single-storey construction, so what I can say is that the whole question of noise has been looked at by a number of parties who are making sure that what we do ensures that there is a pleasant environment for those who are going to have to live in those houses. As I said, I am quite sure we did acoustic reports et cetera, so we have done a lot of work to try and get the right answer—and hopefully a ‘soft’ answer.

Senator PARRY—There was a lot of discussion this morning about the causeway or the drainage system for stormwater. Nothing is on the record yet as to the frequency of flooding. Is it a problem? Obviously it must be a concern because of the works we saw that already exist—and they need improving. You indicated that council needed to improve some of that drainage system. What is the exact situation with flooding?

Mr Kemp—I suspect it would appear to be needed, from the council’s point of view, because it is the council telling us that about the area where we are intending to do some works, with their concurrence. It is their area; it is not our land. So, if you like, the only information I have is a bit anecdotal, from what they have told us, but they have had problems just on occasions with exceptional heavy rains causing flooding. The easiest way, in essence, was to increase the detention. And whilst we were there and they were actually looking at our detention and our site this answer came up. I am afraid I do not have any accurate data of how many times over a calendar year—

Senator PARRY—So this is precautionary rather than remedial?

Mr Kemp—It is precautionary. They have had occasional problems and it just seemed like a very sensible approach. They said, ‘If you are going to put more in it, could you go and do something down there to ensure that we do not have problems going on in the future.’ It just seemed to us like a very sensible answer to benefit everyone. So, as I said, it is only anecdotal—I have not got records. They have never offered to provide anything to us. We are just acting on the information they provided.

Mr JENKINS—With traffic and the way it connects to the surrounding areas—I take it that that is a connection across Arnhem Street into the neighbouring development, to Kensington?

Mr Kemp—Yes, Kensington; that is correct.

Mr JENKINS—What about access to public transport?

Mr Kemp—There is access to public transport within about 600 metres. I believe it is in the submission if I can find the correct page. We are hoping to continue discussions with Ipswich City Council with a view to trying to get a bus network inside the estate to try and cut down that walking distance.

Mr JENKINS—Has the layout of the streets been put in place with that possibility?

Mr Kemp—Yes; the main arteries are 8.5-metre carriageways, which should be sufficient for that. The 6.5 carriageways are for the areas where the houses are. So there is no roads issue that would stop a bus network from being provided.

Mr JENKINS—There were no complaints or worries about traffic with the process that Senator Parry alluded to?

Mr Kemp—The only comment I had from a resident was the question of access—how vehicles would access the site during construction. Much of that is driven by the operational works phase of the project, which is done with the engineering departments of Ipswich City Council. If there are any issues about what traffic can use what roads to access the site for physical construction, that is where that will be addressed. But, at the end of the day, we can only really come in through Flinders View, the existing estate, or in some way through the Kensington Estate. We certainly cannot come off the Cunningham highway because of the speeds on those roads. So in essence we have to come past somebody’s front door. If there are issues for Ipswich City Council, they will make them known to us and we will have to find a way to address them.

Mr JENKINS—The status of the unformed Whitehill Road that forms the westerly border—the western boundary.

ACTING CHAIR—It is unusual. Most developers would say, ‘A road. To reduce our cost, front to that.’ But you have got to build a whole new road.

Mr Kemp—At this point in time Whitehill Road will remain unformed until the DMR decide they want to do something with it. It is not something we can control.

Mr JENKINS—It is a government road.

Mr Kemp—Yes. It is a reserved road. It has been reserved. It has probably been in that form for a considerable number of years. You will find that in most cities. When you look at maps you often see straight lines of green. You will probably find that is some reserved road for some future use. In this case they wanted us to connect to Whitehill Road. It was a requirement of Ipswich City Council that we make the connection to Kensington. That was stated to us, and we worked accordingly. But forming, in a sense, Whitehill Road is not something we have any control over whatsoever. The advice given to us—some of the local residents would be interested in the advice given to us—was, as I have stated in the submission, that DMR at this stage have no intention of forming it.

Mr JENKINS—This is a slightly redundant question because you have really answered it, but I want to be sure that the quality of the sound barrier is going to be much better than the one in the subdivision alongside, which is a concrete barrier right at the back of the properties and then the sound wall. I have no problem with the sound wall close to the highway.

Mr Kemp—I will read you my notes. There is an earth mound along the southern boundary, a timber sound fence, and a top earth mound. The total height of the earthen fence will be 4.5 to five metres and the actual fence height will be 1.5 to two metres. It will be approved by the Department of Main Roads and it will work. I want it to be a softer look so, certainly from the residents' side, it will not be as harsh as we saw today, coming along the road.

Mr JENKINS—Can I go back to the provision of telecommunications. I hope we can get more than an assumption that they are going to be provided. If we want to have a subdivision, access to the highest rate broadband would be essential. For the clients of DHA that is an important aspect because of contact between service people and family.

Mr Kemp—It is something that we will continue. The information I have provided here is what Telstra has told us at this moment in time. I have no difficulty going back to them and getting these things confirmed. I totally agree with you that we have to make sure we take the maximum opportunity to make the subdivision as best as we possibly can. That will be a discussion we can have with Telstra. What I have told you so far is what Telstra in their own inimitable fashion have told us.

Mr JENKINS—I stress it on the basis that you are on the same wave as the market. In my local area subdivisions are being denied access to the highest rate broadband because Telstra will not provide it.

Mr Kemp—True. I will ask them to do so, but I am not sure that, at the end of the day, I can twist their arm to that extent.

ACTING CHAIR—They are not the only telecommunications provider.

Mr JENKINS—Sorry—the provision of telecommunications by whomever. I will return to the acting chair’s original question. In the past we have been presented with design issues of housing stock, and my question in relation to that is about the principles of sustainability. What options were available for the orientation of lots to ensure that the housing placed on them were the most sustainable designs possible?

Mr Kemp—I will ask Stephen Smith, the town planner from Deicke Richards, to take a couple of minutes to go over the principles that were employed to end up with the subdivision in the shape that is there. I think that would help you, rather than me trying to explain the plan.

ACTING CHAIR—Mr Smith, did you hear the question, or would you like it repeated?

Mr Smith—You are talking about sustainability in terms of the overall layout for the subdivision?

ACTING CHAIR—Yes, the thermal design and all those sorts of things.

Mr Smith—There are a couple of paths to that. The lots were designed to take into consideration a number of urban design principles, which we talked about before in terms of connectivity. When you get down to individual lot size, it is the house that determines the sustainability. It is the orientation of the house rather than the lot that is going to drive those sorts of sustainability solutions. Do you want more on that?

Mr JENKINS—Yes. How will that be factored into the briefs that are going to be given to the project house people?

Mr Kemp—The development control plan mechanism that I have referred to on a couple occasions again deals with the question of what the opportunities are for each individual block. So you are going to look at each individual block and try and put a control mechanism around it as to what would be the best orientations and what has to be taken advantage of. Then the builders themselves will determine from those guidelines their best piece of product that fits within those guidelines. The control plan mechanism sets the scene for how the house will be sited and what the best opportunities are. To give a simple example, if the lot has views, we would be looking to try and get a house on there that takes advantage of the views. If there is an opportunity to orientate the lot because the shading is going to be on one side, we would be putting that into the development control plan. That control plan mechanism is very important in giving some guidance to the builders as to how we would like to see it, but they will use their own judgment because they are building these all the time, and they are selling them.

Mr JENKINS—To use my jargon, you are telling me that you will be using best-practice principles for any other development where people are selling product that is based on these types of sustainability principles?

Mr Kemp—That is exactly the aim. We are not designing this time, so we are not setting the design. We are setting the scene and then the design will fit in with it.

Mr JENKINS—We always get back to airconditioning in relation to DHA housing stock. We will probably get to a solution that does not require it, but your clients have a belief that they do.

Mr Kemp—Your question is: do we have airconditioning in these houses?

Mr JENKINS—Yes.

Mr Kemp—The answer is yes.

ACTING CHAIR—I will rephrase Mr Jenkins's question by advising you that some state jurisdictions now require that, when you get your house building permit, you make a statement or get a professional assessment as to the class of energy rating. For example, I would expect that you would make some assessment in the design specification and set a target for the builder to achieve an energy rating—and it is going to feature more and more in future development.

Mr Kemp—Our specification requires us to provide four stars as an energy rating. I have not gone into these issues in detail in the submission, but they are, if you like, a normal course of business for us. I did mention in the submission that we would be attaining four stars. I just have to find the right section that I refers to it.

Senator Troeth—It is 14.4.

ACTING CHAIR—Mr Jenkins, are you satisfied?

Mr JENKINS—I am satisfied, except that there is a problem with the magpies on the next lots. What is the solution?

ACTING CHAIR—Thank you. I would like to ask again the question that Mr Jenkins asked about Whitehill Road. It is in DHA's interest to have established a future for the road, otherwise it is going to be a junkyard because all of the housing on the adjoining estates backs onto it as well. It is going to be a no-man's-land. It would be interesting to get that question resolved about its future—whether it is going to be walking tracks or—

Mr Kemp—To be honest with you, I have resolved it as much as I possibly can. DMR have been quite emphatic in their answer. It is not changing. I have no influence to bring to bear on DMR in terms of that. It is a future road connection corridor. It has been like this for quite a considerable number of years. I can keep asking the question, but I do not think they are going to change. At the moment, it is just in a natural state and it is actually a very high embankment. We would be looking to cut through it to get through to Kensington. It is not like a piece of waste ground all at one level. It is actually a big steep embankment.

Senator FORSHAW—I think you have just answered my question, which was about that unformed Whitehill Road. I was going to ask—because I have not seen it—whether or not it was possible to use that as a means of access to the site during construction. I take it it is not, given what you have just said about its state.

Mr Kemp—It will not be. It is totally within DMR's control and there is nothing in it for them to do anything there. It will stay as is.

Senator FORSHAW—It is not passable by vehicle at the moment?

Mr Kemp—No. You have really got nowhere to go. We will cut through to Kensington. We can use that as a temporary entrance which then becomes a permanent entrance to the estate. As for traversing it in a north-south direction, that will not be happening. It is actually extraordinarily high. When I say a cutting, I mean a cutting. Apart from that, they just would not give us the permission to do so.

Senator FORSHAW—It is a designated state road, is it?

Mr Kemp—It is reserved for future road construction. It is not a road. When it is says it is unformed, it means basically it is not a road. ‘Unformed’ means it is not a formed road.

ACTING CHAIR—Somebody needs to have the urge to declare it surplus to use. Senator Forshaw, are you satisfied?

Senator FORSHAW—Yes.

ACTING CHAIR—I might wrap up the hearing there. Before closing, I thank the witnesses for appearing before the committee today. Also, I take the opportunity to thank on the record those who assisted with our inspections and the private briefings this morning.

Resolved (on motion by **Senator Forshaw**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at public hearing this day.

Committee adjourned at 12.03 pm