

Proposed development and construction of housing for Defence members and their families at Lindfield, NSW

- 3.1 Defence Housing Australia (DHA) seeks approval to construct dwellings for Australian Defence Force (Defence) personnel at a site at Lindfield, Sydney, NSW.
- 3.2 DHA will develop road and civil infrastructure on the site and construct 345 dwellings for an integrated residential community for Defence and other families, with 173 dwellings for Defence use.
- 3.3 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 Sydney area. The project also aims to replace housing returned to investors at end of lease and replace existing housing that no longer meets Defence standards.
- 3.4 The cost of the project is \$202 million.
- 3.5 This proposed development and construction project was referred to the Committee on 9 May 2012.

Conduct of the inquiry

- 3.6 Following referral, the inquiry was advertised in *The Australian* on 30 May 2012 and the *Northside Courier* (Lindfield-Chatswood, NSW) on 22 May 2012.
- 3.7 The Committee received one submission and three supplementary submissions from DHA and a confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.

- 3.8 The Committee conducted a site inspection, public hearing and an in-camera hearing on the project costs on 3 July 2012 in Sydney.
- 3.9 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.¹

Need for the works

- 3.10 Approximately 2,450 Defence personnel with dependents reside in the Sydney area, not including the neighbouring areas of Liverpool, Richmond and Glenbrook. The majority of these personnel work in or around the Sydney CBD.²
- 3.11 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 Sydney receiving RA is 35.9 per cent, significantly higher than the Defence and DHA target of 15 per cent.³
- 3.12 The shortfall to meet the 15 percent target is about 360 dwellings. DHA must also factor in the 'churn' created by leased houses reaching end of lease requiring replacement. The Lindfield proposal would provide 173 dwellings and enable DHA to significantly reduce the proportion of Defence families in private rental accommodation and receiving RA.⁴
- 3.13 In Sydney, 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 Lindfield site assists in meeting the need for Defence housing in the Sydney area.⁵
- 3.14 The Committee is satisfied that there is a need for the works.

Scope of the works

- 3.15 The project will involve road and civil infrastructure development prior to the construction of 345 dwellings for Defence and other families. This includes 10 dwelling lots, 25 townhouses and 310 apartments. The proposal is consistent with the University of Technology Sydney

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, pp. 1-2.

5 DHA, Submission 1, p. 2.

Ku-ring-gai Concept Plan, and involves the provision of infrastructure to support dwelling construction in five housing precincts on the site.⁶

- 3.16 Subject to Parliamentary approval, civil construction is planned to commence by November 2012, with dwelling construction commencing progressively from June 2013 and being completed progressively from November 2014. The project is planned to be completed by June 2017.⁷
- 3.17 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

- 3.18 The overall project cost is \$202 million, including GST but excluding the cost of the land.
- 3.19 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.⁸
- 3.20 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

Project issues

Bushfires

- 3.21 The site is subject to bushfire threat. The boundary between the site and Lane Cove National Park is proposed to be managed as an Asset Protection Zone (APZ):

In accordance with the Ministerial consent and NSW requirements and standards, the development will be surrounded with a substantial bushfire Asset Protection Zone (APZ) incorporating a range of bushfire protection measures set out in the site-specific Bushfire Management Plan (BMP). These measures will be implemented as part of this first stage of development and subsequently through dwelling construction. The APZ will reduce

6 DHA, Submission 1, pp. 11-12.

7 DHA, Submission 1, pp. 20-21.

8 DHA, Submission 1, p. 20.

the potential impact of bushfires on the development and the surrounding properties.⁹

- 3.22 DHA stated that the Rural Fire Service has approved the Bushfire Management Plan.¹⁰
- 3.23 The APZ will be managed to reduce the fuel for a bushfire. It will be:
- ... structured into two different areas, an inner zone and an outer zone. The inner zone, which is close to the buildings, has a loading of around three to four tonnes of vegetation per hectare. The outer zone has a loading of around 10 tonnes per hectare. I will compare that to what a forest might look like. If you take a very dense forest as being 100 per cent loading, the Lane Cove National Park is only at about 70 per cent, the outer APZ will be at 30 per cent and the inner APZ will be at 15 per cent, so it is basically like a manicured national park.¹¹
- 3.24 A bushfire is likely to come from the Lane Cove National Park, and advance up the hill toward the site. DHA accepts that this may make the situation worse, however maintains that once residents leave the site, they are out of danger:
- ... it is only a few hundred metres until you are over the hill and down the other side. They are wide roads. They are 20-odd metres wide roads, I understand, so they are quite wide roads. You can very quickly get into a very low bushfire prone area.¹²
- 3.25 Within the site, the houses will be designed in accordance with the codes for bushfire-prone areas and the large central playing field creates an evacuation area. However, there is only one exit route from the site, Eton Road.¹³
- 3.26 The Committee expressed concern that the single access road could be blocked by a fallen tree or a car crash during a bushfire, possibly preventing residents from exiting the site and police or emergency vehicles from accessing the site. Smoke, darkness or panicked, last-minute evacuations could increase the likelihood of a car crash.

9 DHA, Submission 1, p. 7.

10 DHA, Submission 1, p. 7.

11 Mr P. Howman, DHA, *transcript of evidence*, 3 July 2012, p. 8.

12 Mr P. Howman, DHA, *transcript of evidence*, 3 July 2012, p. 9.

13 Mr P. Howman, DHA, *transcript of evidence*, 3 July 2012, p. 8.

3.27 However, DHA contended that evacuations would not occur at the last minute:

A fire does not just start and people suddenly decide to evacuate. It will start, there will be notifications, the fire brigade will be involved and people will get notification that a high fire-prone day is coming along and they might or might not need to evacuate. This will start to build up to a stage where the bushfire association might say it is time to evacuate. So people would evacuate in an orderly process. It would not be a rush of people; it would be an orderly evacuation process. Some may choose to stay behind and protect property, and they are entitled to do that.¹⁴

Committee comment

3.28 The Committee was concerned that the tragedies of past bushfires could be replicated at Lindfield if the single access road is blocked during a bushfire. However, the Committee acknowledges that the site meets all regulations and has been approved by the Rural Fire Service.

Final Committee comment

3.29 The Committee was satisfied with the evidence provided by DHA regarding the proposed development and construction of housing for Defence at Lindfield.

3.30 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

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 Lindfield, NSW.

14 Mr P. Howman, DHA, *transcript of evidence*, 3 July 2012, p. 8.