
The Parliament of the Commonwealth of Australia

An Estate for the Future

The allocation of land to diplomatic missions in the ACT

Joint Standing Committee on the National Capital and External Territories

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Canberra

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Foreword

Canberra hosts over 80 diplomatic missions from around the world – a reflection of Australia’s strong cultural and economic links with many nations. These missions are also an important part of the fabric of our national capital, diverse and often attractive buildings that reflect both Canberra’s history and the architectural traditions of the nations that occupy them. The management of Canberra’s diplomatic estate brings with it unique challenges, which includes not only the need to manage the usual planning questions, but also the need to be sensitive to the national interests of the nations with a presence in our capital.

This report is the product of concern within the Committee, and amongst residents of the Canberra community, over the way land is allocated to diplomatic missions in the Australian Capital Territory. There are concerns that the method currently used for allocating land to diplomatic missions lacks coherence; that despite long term needs, it is not underpinned by a long term strategy; that it fails to provide any meaningful coordination between the Commonwealth and ACT Governments regarding the allocation of land for national use; and fails to take account of one fundamental issue – the shortage of National Land suitable for allocation to the diplomatic estate.

The specific impetus for the inquiry comes from a decision to reserve land adjacent to Stirling Ridge in Yarralumla for incorporation into the diplomatic estate. This decision, encapsulated in Draft Amendment 78 to the National Capital Plan, has aroused community anger, not just for the loss of open space used by local residents, but because it has highlighted the essentially ad hoc process by which land accrues to the diplomatic estate. Residents are concerned that this section of land has been chosen not because it is the most suitable, but because it is the most readily available. The Committee agrees that this is not the best criteria for assessment.

In addressing the problems raised by the inquiry, the Committee has undertaken two tasks. It has compared the experience of Canberra with other national

capitals – in particular Washington DC. The Committee has been impressed with the level of planning and coordination inherent in the Washington model, and its substantial use of free market methods in the allocation of land to diplomatic missions. The Committee has also explored various alternatives for allocating land to diplomatic missions, including: more stringent enforcement of lease conditions and resumption of leases; use of medium and high-density premises to house missions; subdivision of existing leases; and use of residential and commercial properties to house missions. The Committee has recommended some combination of all of these be applied, in conjunction with the application of market principles, in the belief that this will allow the Australian Government to meet the demand for new diplomatic premises without placing significant pressure on the available supply of undeveloped land.

The Committee has also recommended the development of a long term strategy for the allocation of land to diplomatic missions. This strategy would be developed in conjunction with the ACT Government and integrated with the National Capital and Territory Plans. The strategy would forecast demand and supply, and establish a range of mechanisms for allocating land to diplomatic missions. The Committee has also recommended that in deference to the development of this long term strategy, Draft Amendment 78 be withdrawn.

The Committee believes that in following its recommendations, the Australian Government will not only be addressing the problems inherent in the current method of allocating land, but will also provide the diplomatic community with a much more diverse and flexible suite of options for establishing diplomatic missions, and provide Canberra with a much more diverse and integrated diplomatic presence within its environs, to the betterment of all concerned.

I would like to thank all those who have contributed to the inquiry through their submissions and evidence before the Committee. The committee was presented with constructive evidence from a range of perspectives, all of which has been beneficial to the Committee's deliberations. I would also like to thank my Committee colleagues for their thoughtful and constructive input into the inquiry, and the secretariat for their work on the inquiry and the report.

Senator Louise Pratt
Chair



Membership of the Committee

Chair Senator Louise Pratt

Deputy Chair Mr Luke Simpkins MP

Members

The Hon Dick Adams MP	Senator Judith Adams (until 4/4/12)
Ms Gai Brodtmann MP	Senator Trish Crossin
Ms Anna Burke MP (until 9/10/12)	Senator Gary Humphries
Mrs Natasha Griggs MP (from 20/8/12)	Senator Stephen Parry
Dr Andrew Leigh MP	
The Hon Bruce Scott MP (from 9/10/12)	
Mr Patrick Secker MP (until 20/8/12)	
Hon Peter Slipper MP (until 24/11/11)	

Committee Secretariat

Secretary

Mr Peter Banson

(from 13/2/13)

Mr Peter Stephens

(until 8/2/13)

Inquiry Secretary

Dr William Pender



Terms of reference

The Committee to inquire into and report on the allocation of land to diplomatic missions in the Australian Capital Territory with particular reference to:

1. The roles of the National Capital Authority, the Department of Foreign Affairs and Trade, the Government of the Australian Capital Territory (where applicable) and other relevant agencies.
2. Forecast levels of demand and supply.
3. The suitability of current property types and other options to meet the different needs of diplomatic missions.
4. Options for locations of future diplomatic estates.



List of abbreviations

ACT	Australian Capital Territory
AFP	Australian Federal Police
BZA	District of Columbia Board of Zoning Adjustment
DA	Draft Amendment
DC	District of Columbia
DFAT	Department of Foreign Affairs and Trade
FMA	Foreign Missions Act
ICC	International Chancery Centre
JSCNCET	Joint Standing Committee on the National Capital and External Territories
NCA	National Capital Authority
NCPC	National Capital Planning Commission



List of recommendations

1 The allocation of land to diplomatic missions in the ACT

Recommendation 1

The Committee recommends that, in order to better utilise limited resources for the allocation of land to diplomatic missions, the Australian Government implement:

- Strengthened policies and regulations surrounding diplomatic leases to ensure compliance, with the policy of resumption of land within 36 months where development has not commenced being rigorously enforced
- Medium- and high-density options for housing chanceries
- Policies to allow the subdivision of existing sites within the diplomatic estate
- A policy framework that allows more extensive use of residential and commercial properties to house chanceries, along the lines adopted in Washington DC
- In the future, a steady evolution towards a more commercial approach (as in Washington DC) should be encouraged.

Recommendation 2

The Committee recommends that the National Capital Authority develop a long term strategy for the allocation of land to diplomatic missions in the Australian Capital Territory. This strategy should be developed in conjunction with the Department of Foreign Affairs and Trade, Australian Federal Police and ACT Government and integrated with the National Capital Plan and the Territory Plan. It should forecast demand

and supply and establish the various mechanisms by which these forecasts may be met, including:

- Designating sites for future diplomatic enclaves
- Establishing a clear and binding framework for the granting and resumption of leases to diplomatic missions
- Establishing a policy for medium and high density properties
- Creating a mechanism for the subdivision of existing leases
- Establishing a framework for more extensive use of residential and commercial properties for chanceries
- Managing impacts on local residents
- Working out what role the private market might play.

The long term strategy should also involve a thorough review of land resources in O'Malley, Yarralumla and Deakin to ensure their optimal use for diplomatic purposes. The views of the diplomatic community should be sought during the development of the strategy.

Recommendation 3

The Committee recommends that Draft Amendment 78 be withdrawn.

