



Australian Government

Australian Government response to the
Joint Standing Committee on the National Capital and
External Territories report:

An Estate for the Future

The allocation of land to diplomatic missions in the ACT

July 2014

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**AUSTRALIAN GOVERNMENT RESPONSE TO THE
REPORT OF THE JOINT STANDING COMMITTEE ON NATIONAL CAPITAL
AND EXTERNAL TERRITORIES
INQUIRY INTO THE ALLOCATION OF LAND TO DIPLOMATIC MISSIONS IN
THE AUSTRALIAN CAPITAL TERRITORY (ACT)**

Preamble

The Australian Government (the Government) welcomes the opportunity to respond to the report of the Joint Standing Committee on the National Capital and the External Territories' (Committee) *Inquiry into the Allocation of Land to Diplomatic Missions in the Australian Capital Territory* (Report), published in March 2013.

The inquiry highlighted the need for an Australian Government policy to address the shortage of National Land to accommodate the anticipated future demand for diplomatic missions, supported by a National Capital Authority strategy for long term allocation of land.

This response seeks to balance the interests of the Commonwealth, the ACT Government, the diplomatic community and the residents of the Canberra community given the uniqueness of Canberra's purpose built, planned city and the nature of the zoning of land as National Land or Territory Land.

It also takes into account Australia's international obligations under the *Vienna Convention on Diplomatic Relations 1967* to facilitate the acquisition of diplomatic missions and safeguard the mission against intrusion or damage.

Considerations for Diplomatic Missions in the Australian Capital Territory (ACT)

Diplomatic missions play an important role in signalling a country's profile in and relationship to Australia, channelling communication between the country and Australia, representing and promoting the country's interests to Australia, and fostering and developing economic and cultural links with Australia.

Currently, Canberra, as the National Capital, hosts 101 diplomatic missions, 53 of which are located in the diplomatic estate. Given Australia's increasing international role and importance, the demand for land for diplomatic missions is strong. Processes are in train for the establishment of four new diplomatic missions and enquiries have been received regarding the establishment of a further seven diplomatic missions. The Government understands that open National Land in the ACT, such as Stirling Ridge, is used recreationally and enjoyed by residents. The allocation of land and establishment of diplomatic missions needs to be considered in the context of national interest, security, and maintaining productive foreign and trade relations noting international obligations.

There are also the financial implications of purchasing Territory Land if suitable National Land is unable to be obtained.

In recognition of these complex issues, it is imperative that a long term strategy regarding the allocation of National Land for diplomatic missions be developed.

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.

Agreed

The Government supports the Committee recommendation to improve the policy regarding land allocation for diplomatic leases. At present there is no specific plan or policy governing the location of diplomatic missions. This function is managed by the National Capital Authority on behalf of the Commonwealth, in consultation with the Department of Foreign Affairs and Trade and relevant security agencies. There are no legislative criteria for managing the location of diplomatic missions and administrative arrangements have evolved over time in an ad hoc manner. The Department of Infrastructure and Regional Development will develop an Australian Government land allocation policy to address the shortage of National Land to accommodate the anticipated future demand for diplomatic missions, supported by a National Capital Authority strategy for long term allocation of land.

The development of a policy will ensure a better coordinated and consistent approach to land allocation for diplomatic missions and will aid in providing greater clarity on diplomatic leasing issues.

The development of a policy will need careful consideration and time given the complexity of these issues. The Government has commenced early engagement with relevant government stakeholders to progress matters arising from the report.

The Government notes that there are a number of complex issues concerning diplomatic land allocation including maintaining diplomatic relations and the security of foreign nationals whilst also being sensitive to community interests. The policy will need to be developed with specific regard to the Australia's obligation under the *Vienna Convention on Diplomatic Relations 1967*.

In the interim, site allocation issues will be addressed on a case-by-case basis involving careful consultation with relevant ministers, the community and the National Capital Authority.

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
- * Creating a policy for medium and high density properties
- * 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.

Noted

The Government noted the Committee recommendation for the National Capital Authority to develop a long term strategy for the allocation of land to diplomatic missions in conjunction with key stakeholders.

The Government understands the importance of balancing the needs of the national government, local government, diplomatic community and the residents of the Canberra community to ensure that Canberra's diplomatic, economic, cultural community links are maintained.

The Government will ask the National Capital Authority to develop a strategy for long term allocation of land to ensure an inter-jurisdictional approach and alignment with the land allocation policy.

Recommendation 3

The Committee recommends that Draft Amendment 78 (DA78) be withdrawn.

Noted

The Government notes this recommendation and considers this a matter for the National Capital Authority.

The Government understands that the National Capital Authority responded to the Committee's report on 17 April 2013 and, in line with Recommendation 3 of the report, will be withdrawing Draft Amendment 78.

Appendix A: Acronyms and Abbreviations

ACT	Australian Capital Territory
JSCNCET	Joint Standing Committee on the National Capital and External Territories
Minister	Minister for Infrastructure and Regional Development
NCA	National Capital Authority
Report	An Estate for the Future: The Allocation of Land to Diplomatic Missions in the ACT