

Proposed development and construction of housing for Defence at Rasmussen, Townsville

- 2.1 Defence Housing Australia (DHA) seeks approval to construct dwellings for Australian Defence Force (Defence) personnel at a site at Rasmussen, Townsville, Queensland.
- 2.2 DHA will develop approximately 1,180 allotments plus one medium density site for the provision of housing, and intends to construct houses for Defence families on 401 of those lots.
- 2.3 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 Townsville 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.
- 2.4 This proposed development and construction project was referred to the Committee on 24 November 2011.

Conduct of the inquiry

- 2.5 Following referral, the inquiry was advertised nationally and submissions sought from those with direct interest in the proposed project.
- 2.6 The Committee received one submission and a supplementary confidential submission from DHA. A list of submissions can be found at Appendix A.
- 2.7 The Committee conducted a public hearing on the project and an in-camera hearing on the project costings on 1 May 2012, in Townsville.

- 2.8 A transcript of the public hearing and a copy of DHA's public submission to the inquiry are available on the Committee's website.¹

Need for the works

- 2.9 Lavarack Barracks in Townsville, Queensland, is one of Defence's largest bases and home of the 3rd Brigade which forms the core of the Australian Army's Ready Deployment Force.²
- 2.10 The base currently supports a population of 3,817 military and 626 civilian personnel. DHA has identified a growing need over the next five years to provide new housing accommodation for families of Defence personnel working in the Townsville area.³
- 2.11 Of the total Defence personnel residing in the Townsville area, 2,100 are Members with Dependents (MWD). As of 1 June 2011, 13.2 per cent (280 families) of the MWDs were on Rental Allowance (RA) which is the provision of an allowance to assist members in sourcing their own accommodation in the private rental market. Defence policy and DHA contractual obligations require that no more than 15 per cent of members be on RA.⁴
- 2.12 To maintain the housing stock in Townsville at acceptable levels, DHA must provide approximately 80 new dwellings per year in order to:
- maintain or reduce the number of members on RA
 - replace housing returned to investors at end of lease
 - replace existing housing that no longer meets Defence standards.⁵
- 2.13 In its submission to the inquiry, DHA explained that it is pursuing a mix of measures to meet future Defence housing needs in Townsville.
- 2.14 DHA suggested that the purchase and development of a greenfield site is appropriate at this time, for the following reasons:
- Defence has a requirement to integrate Defence families into the wider communities. A local community, of which approximately 30 per cent are Defence families, has traditionally met Defence social requirements.

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

2 Defence Housing Australia, Submission 1, p. 5.

3 Defence Housing Australia, Submission 1, p. 5.

4 Defence Housing Australia, Submission 1, p. 5.

5 Defence Housing Australia, Submission 1, p. 5.

This is consistent with the percentage of rental properties in the broader community.

- DHA operates in a commercial manner. This development and construction methodology is the most cost effective way to meet Defence housing and social requirements and for DHA to meet the required return to shareholders.⁶

2.15 The Committee is satisfied that there is a need for the works.

Scope of the works

2.16 The proposed scope of the works is detailed in Submission 1: Defence Housing Australia.⁷

2.17 DHA plans to develop 1,180 residential allotments plus one medium density site, in 30 Stages, on a site of approximately 99 hectares. DHA then intends to construct 401 dwellings (approximately 33 per cent of the total development) to supply housing for Defence personnel.

2.18 DHA discussed broader planning issues for the site:

The development of the site will be undertaken generally in accordance with the concept plan, provided in supplementary item No. 2 of our submission. The site is highly irregular, as it is made up of 10 separately titled lots covering an area of approximately 99 hectares. The site is zoned as suitable for residential development. When DHA purchased the site in December 2010, there was an existing concept master plan with a number of approvals in place. Since acquiring the site, DHA has reviewed the existing approvals and developed an enhanced concept master plan in consultation with Townsville City Council and other relevant stakeholders. The current concept master plan provides an arrangement of lots more suited to the needs of DHA and the local market and provides a more even distribution of open space.⁸

2.19 DHA elaborated on the broader planning concepts for the development:

The proposed allotment mix will introduce variety to accommodate lifestyle options and provide a range of price points

6 Defence Housing Australia, Submission 1, pp. 7-8.

7 Defence Housing Australia, Submission 1, pp. 13-24.

8 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 1.

to meet local market expectations, as well as DHA's objective to meet defence housing needs through the provision of high-quality attached and detached housing that is financially viable and attractive to investors and integrates with the surrounding community. The allotments to be developed on the site have been designed to maximise opportunities for buildings to be developed in a cost-effective and timely way that responds to the solar paths and prevailing breezes, cater for an outdoor-orientated lifestyle and engage with streets to create a cohesive and inclusive streetscape. The road network has also been developed to incorporate a number of potential bus routes. The master plan consists of formal and informal open spaces, linked by a green corridor along principal roads. This is intended to serve multiple functions, including a recreational space, pedestrian and bicycle linkages and stormwater treatment. The natural features of the site have been recognised and provision has been made for connections to regional open space opportunities along the Ross and Bohle rivers.⁹

- 2.20 Subject to Parliamentary approval, construction is planned to commence on the project by February 2013, with the first houses being delivered by October 2014. The project completion would be expected by December 2023.¹⁰
- 2.21 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

- 2.22 The estimated overall project cost is \$261,709,213, including GST, but excluding the purchase of the land and escalation.¹¹
- 2.23 The cost will be met from DHA equity and debt funding and will be recovered through sale of individual lots to the general market and the sale of DHA constructed housing through its Sale and Lease Back program.¹²
- 2.24 The Committee is satisfied that the costings of the project provided to it have been adequately assessed by the proponent agency.

9 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 2.

10 DHA, Submission 1, p. 24.

11 DHA, Submission 1, p. 24.

12 DHA, Submission 1, p. 24.

Project issues

Flooding

2.25 The Committee raised the issue of flooding in the region, and the potential for large flood events to impact on the Rasmussen site.

2.26 DHA stated that the high side of the site of the proposed development is the Ross River, with the entire site draining west towards the Bohle River.¹³

2.27 DHA explained that the Townsville City Council has produced a flood report for the Bohle River:

They have looked at a whole stream of measures and a whole stream of hydrology cases. They have worked out the worst event, which factors in a one-in-100-year event. They have done a risk assessment of other events and deemed that a one-in-100-year setting and a one-in-50-year flood envelope is appropriate for development in the Bohle River flood plain.¹⁴

2.28 DHA stated that the proposed development will be above the one-in-100-year flood event level:

The base of the houses, the concrete floor of the houses, on our site is designed to be 450 millimetres about the Q50 flood line, which puts it above the Q100 flood line.¹⁵

2.29 DHA discussed the assessment of flood potential:

The flood report that council released shows that the site itself is clear of the Q50 flood ... the one-in-50-year flood. That is deemed the definable flood event in the Townsville area by Townsville City Council after some considerable risk assessment, except for some minor areas where the drains encroach on the development, which are not to be developed anyway ... the development is proposed to be able to provide lots that are clear of the Q50-defined flood event but also such that any floor levels would be located 450 millimetres above the Q50 level.¹⁶

13 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 5.

14 Mr P. Brady, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 5.

15 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 5.

16 Mr P. Brady, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 5.

2.30 DHA explained further:

The flood study also has a Q100 run where it provides flood levels within there. In the vicinity of this development the Bohle River shows a difference in flood level between the Q50 and the Q100 – or the one-in-50-year event and the one-in-100-year event – of approximately 100 millimetres. Therefore the floor levels would actually be 350 millimetres above the Q100 event.¹⁷

2.31 DHA reiterated that it is building to the requirements of state government and local authorities:

The recent review undertaken by the state government and the Brisbane City Council in relation to the floods that occurred in 2011 in Brisbane suggested that they upgrade the state standard to Q100 plus 300 millimetres. As I stated before, the design scenario for this development is Q100 plus 350 millimetres, so we are in excess of the recommendations of that state review.¹⁸

Committee comment

2.32 The Committee pursued the issue of flooding, suggesting that the Q50 and Q100 floods are not the worst flood events which have the potential to occur, as recent flood events around the nation have shown.

2.33 The Committee accepts that DHA is developing and building on the Rasmussen site within normal guidelines and advice provided by local and state government agencies, regarding the potential for flooding.

Traffic

2.34 The Committee asked DHA to elaborate on traffic issues associated with the proposed development.

2.35 DHA explained that Riverway Drive is the primary access to the site, however other access will come in from the north or south and there will be three entrances from Beck Drive to the west, as the site develops over time.¹⁹

2.36 DHA provided information on existing traffic volume and the predicted traffic volume during the development period:

17 Mr P. Brady, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 5.

18 Mr P. Brady, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 6.

19 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 3.

The existing traffic on the road at the moment in the vicinity of the front entry [of the development site] is 14,400 vehicles per day. That is a daily traffic volume ... That is an aggregate total. The normal practice in Queensland is to do an analysis of the traffic 10 years past the end of development. The traffic models have predicted that the traffic volume at 10 years after development will be 25,900 vehicles per day ... It is a significant increase.²⁰

2.37 DHA discussed traffic flows during peak time periods:

The traffic report actually has peak hourly traffic breakdowns for all of the intersections along that section of road. All of the traffic analysis is done based on peak hour volume – there is an AM peak and a PM peak. Some of those can vary in terms of which one controls the upgrade requirements for the intersection. Traditionally in Townsville, and this development is no different, the peak hour volumes are around 10 per cent of the daily traffic volume.²¹

2.38 The Committee observed that Riverway Drive immediately adjacent to the proposed development is a two lane carriageway (one lane each way). DHA discussed the plans to upgrade the road to make it a four lane carriageway:

The Department of Transport and Main Roads in our discussions with them have confirmed that the duplication of the two-lane carriage way to four lanes from Gollogly Lane, where it becomes four lanes, south to Allambie Lane, which is the road to the south of our development, will be upgraded within their five-year plan ... When we look at the traffic volumes, the normal duplication trigger in terms of vehicles per day is around 20,000 vehicles per day. So if you look at those traffic volumes the duplication in timing seems appropriate.²²

2.39 DHA also explained that measures will be taken to minimise the impact of increased traffic flows on residents:

... one [issue of concern for residents] was the traffic access to and from Riverway Drive. We highlighted there our plans to put an intersection with traffic signals at our entry point onto Riverway Drive and highlighted that that would assist in breaking the traffic

20 Mr P. Brady, UDP Consulting Engineers, *transcript of evidence*, 1 May 2012, p. 3.

21 Mr P. Brady, UDP Consulting Engineers, *transcript of evidence*, 1 May 2012, pp. 3-4.

22 Mr P. Brady, UDP Consulting Engineers, *transcript of evidence*, 1 May 2012, p. 4.

flows so that residents north of the site would have much easier access to and from their properties, because we are creating a break in the traffic ... we are building that part of stage 1 first up in the development.²³

Committee comment

- 2.40 The Committee was assured that DHA had fully considered the impact of the proposed development on traffic flows in the immediate area. The Committee appreciates that the Queensland Department of Transport and Main Roads' plan for the duplication of Riverway Drive will ensure appropriate traffic flows in Rasmussen, and that the installation of additional traffic lights will minimise increased traffic flow impacts on residents.

Social and cultural planning

- 2.41 DHA stated that it has engaged a social and cultural planner to assess the impacts of having approximately 1,180 additional families use the existing schools and other public amenities in the Rasmussen area.²⁴
- 2.42 DHA discussed some of the initial outcomes of the social and cultural planning phase:

DHA has engaged a social and cultural planner who has completed a social and cultural planning report. The preparation of this report included a significant amount of research including a number of focus groups with local residents to determine their perceptions of the proposed development and to seek what components of development are of a priority to the Townsville people. The research clearly indicated a favourable response to the development and that outdoor living is of a supreme importance to Townsville locals. Access to Riverway Drive and local shopping facilities was another key recommendation of these groups. This feedback was incorporated into the revisions of the master planning process.²⁵

- 2.43 DHA outlined the community facilities and services available in the immediate area:

23 Mr J. Wallace, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 7.

24 DHA, Submission 1, p. 12.

25 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 2.

The site ... is located within close proximity to the Rasmussen primary school; the Good Shepherd Catholic primary school, community centre and church; a sports ground; the police-citizens youth club, or PCYC; childcare facilities; and a shopping precinct. It is considered that the proposed development will have a positive impact on surrounding local and regional communities, having been designed for residential development under the Thuringowa planning scheme for some time.²⁶

- 2.44 With regard to public transport, there is an existing route connecting the Townsville CBD to Rasmussen via Riverway Drive. The Master plan for the development includes a clear and defined public transport route through the project site. More than 90 per cent of residences will be within 400m walking distance of bus stops along the route.²⁷
- 2.45 DHA elaborated on the role of social and cultural planning over the course of the construction of the development:

That will be an ongoing role. The reason for that is that this project goes for 10 years, and the environment around us will change. We expect that, over the 10 years, families will come and go. We cannot predict exactly what community facilities will come and go during that period of time, so consequently there needs to be ongoing consultation with the local community ... We will look at people like the local schools, the shops, the medical facilities. The PCYC will be major. When you are looking at another 1,180 families coming into the area, that is a lot of people coming in, but it will occur over an extended period of time. So we will be working very closely with those providers of services surrounding our development to ensure that they grow as we grow.²⁸

Committee comment

- 2.46 The Committee was very pleased to be briefed on the thorough examination of social and cultural planning issues and is reassured that these significant planning aspects are at the fore in DHA's project.
- 2.47 Importantly, the social and cultural planning is not just a one-off assessment at the beginning of the project but will be an ongoing process throughout the life of the development.

26 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 2.

27 DHA, Submission 1, p. 14.

28 Mr P. Howman, Defence Housing Australia, *transcript of evidence*, 1 May 2012, p. 8.

Final Committee comment

- 2.48 The Committee was satisfied with the evidence provided by DHA regarding the proposed development and construction of housing for Defence at Rasmussen, Townsville.
- 2.49 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 1

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 at Rasmussen, Townsville.