

Construction of housing for Defence at Muirhead, Darwin, NT

- 5.1 The proposed construction of housing for the Department of Defence at Muirhead, Darwin, NT, by Defence Housing Australia (DHA) seeks to build new housing for Australian service personnel and their families based in the Darwin area. The estimated cost of the project is \$43.5 million (including GST).
- 5.2 The proposal was referred to the Committee on 18 March 2010.

Conduct of the inquiry

- 5.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received five submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 5.4 The Committee undertook a site inspection, public hearing, community statement session and an in-camera hearing on the project costs on 15 April 2010 in Darwin.
- 5.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1: Defence Housing Australia.

1 <aph.gov.au/pwc>

Need for works

- 5.6 The DHA submission states that the works are necessary to maintain appropriate levels of housing for Defence in Darwin. Whilst DHA expects reduced demand for its housing in Darwin over the next five years, it will need to replace existing properties in its portfolio. This is due to both lease expiries and the Department of Defence's *New Housing Classification Policy*, which renders a significant amount of DHA housing substandard.²
- 5.7 The Committee is aware that Darwin's rental market is particularly tight which is an additional factor contributing to DHA's decision to construct new houses, rather than relying on leasing existing properties.
- 5.8 The Committee finds that there is a need for the proposed works.

Scope of works

- 5.9 The proposed scope of the works is detailed in Submission 1: DHA. In short, the project proposes the following:
- development of 18.4 hectares (stage one) to produce 166 building lots, of which 12 could be used for duplex homes;
 - construction of 50 homes;
 - offer of 25 lots to the Northern Territory Government as 'affordable and community housing lots'; and
 - sale of the remaining lots to the public.³
- 5.10 Construction is expected to commence in March 2011 and be completed in June 2012.
- 5.11 The Committee finds that the proposed scope of works is suitable to meet the needs of the Muirhead project.

Cost of works

- 5.12 The total estimated out-turn cost for this project is \$43.5 million (including GST). The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with DHA on the project costs.

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

3 Submission 1, DHA, p.3.

- 5.13 The Committee is satisfied that the costings for the project provided to it are adequate.

Project issues

- 5.14 The Committee held a community statement session in Darwin on 15 April 2010, in order to take evidence from members of the community concerned about this project. The Committee also provided an opportunity for representatives from DHA to participate in discussions with the community about the proposal. As a result, DHA was able to make a supplementary submission, in which it indicated that numerous suggestions from these community groups could be considered in this and future projects. Significant issues raised by the community will be addressed below.

Block size

- 5.15 The Planning Action Network Inc. submission directs attention to the lot sizes being proposed by DHA for Muirhead. In particular, it points out that the usual single-dwelling lot size under the Northern Territory Planning Scheme is a minimum of 800 square metres.⁴ At the public hearing, DHA gave evidence that an 'integrated residential development' may in fact have lot sizes smaller than 800 square metres, subject to approval. In addition, DHA stated that the Muirhead project had been developed as part of a 'specific use zone', SD23.
- 5.16 In short, the Northern Territory Government has created particular planning rules for this specific parcel of land, including lot size requirements that are different from the general planning scheme. The Committee accepts DHA's assurance that its proposal is within the rules of SD23, and no evidence was given to the contrary.
- 5.17 During the public hearing and community statement session, it was clear that the central issue regarding block size is the appropriateness of particular sizes in Darwin. The Committee is not tasked to consider local government planning instruments that have been developed and implemented at a local level.

4 Submission 4, Planning Action Network Inc., para 4.

- 5.18 The Committee notes that DHA has compelling reasons for providing a range of block sizes, of which some are considerably smaller than 800 square metres. Among these reasons are:
- the expressed preference of spouses of service personnel not to have large blocks requiring significant maintenance, particularly when their spouse is serving overseas;⁵
 - the ‘chronic shortage’ of residential land close to Darwin and Defence bases;⁶ and
 - the goal of providing diverse communities, with varying block sizes, housing styles, residents and densities.⁷
- 5.19 The Committee is satisfied that DHA’s proposed subdivision will satisfy the needs of the project and will be cost effective.

Tropical house design

- 5.20 As part of its site inspection, the Committee toured a new ‘Troppo House’ recently completed by DHA in Darwin. This tropical-style house features passive building features that greatly increase its energy efficiency and occupants’ comfort. DHA advised the Committee at the public hearing that, across the entire Muirhead project (the current proposal and future proposals), it plans to build 330 tropical-style houses.⁸ DHA noted that it is trying to encourage more of this kind of construction in Darwin.
- 5.21 The Committee commends DHA for its investment in climate-specific and more sustainable housing, and for its efforts to develop the necessary skills base in Darwin’s construction industry. The Committee considers this move towards more liveable tropical design to be a significant and welcome improvement.
- 5.22 In respect of the present proposal, DHA has indicated that it will implement a covenant system to ensure that all buildings take advantage of prevailing breezes for cooling, through:
- mandatory breezeway separations through individual building envelopes; and

5 Mr P. Howman, Chief Operating Officer, DHA, *Transcript of Evidence*, 15 April 2010, p.20.

6 Mr P. Howman, COO, DHA, *Transcript of Evidence*, 15 April 2010, p.7.

7 Mr M. Doonar, Director, Tract Consultants Pty Ltd, *Transcript of Evidence*, 15 April 2010, p.21.

8 Mr P. Howman, COO, DHA, *Transcript of Evidence*, 15 April 2010, p.22.

- lot arrangement so that the maximum number of lots are oriented north-south.⁹
- 5.23 At the public hearing, COOLmob suggested that Defence personnel who were new to living in the tropics would benefit from its publication, *Greenhouse friendly habits in the top end*, as it provides practical advice about household habits in tropical Australia.¹⁰
- 5.24 COOLmob made an extensive submission, and provided oral evidence, outlining a number of measures potentially open to DHA that would increase the energy efficiency and comfort of homes in Muirhead. The Committee asked DHA to respond to these suggestions and is pleased that DHA has agreed to consider a number of them.

Recommendation 4

The Committee recommends Defence Housing Australia take the opportunity to provide resources about living in a tropical climate for personnel who are new to living in Darwin.

Committee comment

- 5.25 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 5.26 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

Recommendation 5

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: construction of housing for the Department of Defence at Muirhead, Darwin, NT.

9 Submission 1, DHA, p.17.

10 <coolmob.org>