



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

COMMITTEES

Public Works Committee

Report

SPEECH

Monday, 1 September 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Monday, 1 September 2014
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Questioner
Speaker Andrews, Karen, MP

Source House
Proof No
Responder
Question No.

Mrs ANDREWS (McPherson) (15:12): On behalf of the Parliamentary Standing Committee on Public Works, I present the 5th report of 2014 of the committee, addressing referrals made in June 2014.

Ordered that the report be made a parliamentary paper.

Mrs ANDREWS: by leave—This report deals with two referrals: one from the Department of Social Services, and the other from the Department of Defence. The total estimated cost of these referrals is \$109.22 million. The first referral was for the proposed fit-out of new leased premises for the Department of Social Services in the Australian Capital Territory. The cost of the project is \$55.86 million. The national office of the Department of Social Services is currently housed in leased buildings in six locations in the Australian Capital Territory. The largest of these is the Tuggeranong Office Park facility. The lease on this facility expires in early December 2016, and the owner of the accommodation indicated to the Department of Social Services that there are no options available to extend the lease for an appropriate period of at least 15 years.

Following a call for expressions of interest to provide the Department of Social Services with suitable long-term accommodation, four respondents were shortlisted. The department chose, as its preferred option, to lease a developer-built building and seek approval to carry out an integrated fit-out of 30,400 square metres of that building. The Department of Finance endorsed this decision. The Department of Social Services will be the sole occupant of the building, which will be built adjacent to DSS's current accommodation in Tuggeranong. DSS told the committee that its proposal to lease and fit-out a new building will yield over \$70 million in savings to the department over the term of the lease, compared to the cost of the current lease.

It is worth noting that the Australian Capital Territory government recently called for expressions of interest to provide 3,400 public servants with 42,000 square metres of space. The ACT government received 11 registrations of interest, of which 10 proposed providing a new building and only one proposed the refurbishment of existing office space in the city. This appears to indicate that at the moment in Canberra it may be more cost-effective to fit-out a new building, as DSS has chosen to do, than to refurbish existing office space.

The committee held public and confidential hearings on the project in Parliament House and it conducted an on-site inspection in Tuggeranong. The committee saw the existing DSS accommodation, which is 23 years old and would require significant repairs and maintenance were DSS to remain there. Among other concerns, the roofing has deteriorated, causing multiple leaks; and the essential plant and equipment is at the end of its economic life. The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that the project proceed.

The second inquiry in this report is Defence Housing Australia's development and construction of housing for Defence at RAAF Base Darwin in the Northern Territory. The project cost is \$53.36 million. There are approximately 4,500 Defence members residing within the Darwin area; of those, approximately 1,800 are members with dependants. The standard and availability of housing for Australian Defence Force members and families in Darwin has been a longstanding concern for Defence. Currently, there is a heavy reliance on the private rental market, which suffers from significantly low vacancy rates.

This project will provide 80 modern dwellings for junior Defence members. The proposed housing will be built according to Defence Housing Australia's guidelines for tropical housing design. Defence told the committee that building 80 new on-base dwellings is a cost-effective means of supplying bulk housing for families of junior Defence members posted to Darwin. The committee inspected the proposed site for the new dwellings and received a private briefing on the project from representatives of the Department of Defence and Defence Housing Australia in Darwin. Additionally, public and private hearings were held in Darwin.

The committee is cognisant that flood mitigation is a key consideration in Darwin and that areas of RAAF Base Darwin, including the project site, have been subject to flooding in the past. Neighbouring off-base residents,

particularly those in the suburb of The Narrows which adjoins the project site, have been impacted in the past. Defence Housing Australia told the committee that to assist with flood mitigation, the project site has been partially redesigned to include additional stormwater runoff measures where this proposed development abuts The Narrows residences. DHA expressed confidence that these measures will protect The Narrows' residences from flooding as a result of the project. The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that the project proceed.

I would like to thank members and senators for their work in relation to these inquiries. I also thank the secretariat for their ongoing support to the committee. I commend the report to the House.