

**SUBMISSION TO THE INQUIRY INTO THE ALLOCATION OF LAND TO
DIPLOMATIC MISSIONS IN THE AUSTRALIAN CAPITAL TERRITORY**

Summary

The steady tempo of administering the diplomatic estate in the ACT without much public attention may have lulled the National Capital Authority into a false sense of security about its processes.

Instead of leading to a good decision the process in Draft Amendment 78 has produced a recommendation for a diplomatic site that most people who know the area and care for Stirling Ridge think is unsuitable and wrong.

The proposal is based on the flawed assumption that the needs for diplomatic sites can only, or best, be provided by the inner south suburbs including O'Malley, Deakin and Yarralumla.

In fact the expansion of the city has widened the choice of inner and outer suburbs and with changes in communications and transport is offering alternatives to continued reliance on the customary areas.

Resistance to the NCA proposal comes even from people who are not close to Stirling Ridge but who are alarmed by the process and development in this sensitive area.

Confidence needs to be restored in the process by ensuring that it includes, among other things, an up to date inventory of all available land for diplomatic sites with explanations for the apparent anomalies in O'Malley and Deakin.

The process should also take into account potential sites outside the inner south. There should be imaginative and flexible approaches, including the location of chanceries in office buildings. The financing of diplomatic sites should be reviewed and if necessary reformed to reduce costs to the Commonwealth.

It would also be helpful if the process was informed by an account of what countries actually need from diplomatic sites, avoiding out of date ideas based on prestige, entitlement and reciprocal favours.

The NCA rightly emphasises the Commonwealth Government's role in planning and leasing of diplomatic sites, but if there is not enough National Capital Use land for diplomatic purposes the NCA needs to work with the ACT Government to acquire new land, particularly for multi-occupancy sites which are now more difficult to find in the inner suburbs.

A fresh look at the way diplomatic sites are allocated, managed and financed will hopefully uncover opportunities and encourage more flexible approaches to the long term benefit of diplomatic missions and the ACT community alike.

Comments

Information on sites

There is no satisfactory explanation why there is a short term, possibly urgent, demand for sixteen new diplomatic sites. The requirement for diplomatic sites is generally predictable over the long term and given that many countries have taken up, or have committed to, locations in Canberra, and presumably there is a forward plan, new applications should be manageable.

None of the countries wanting new sites are named. Some at least must be known or it would be impossible to compile a list. A key issue is the size of the mission. The existing missions show a wide range of sizes, indicating that there is no standard response.

Need for new sites

DFAT's expectation of strong interest in establishing new diplomatic missions here may be well founded, over time. But an observer might think that Australia's impact in international affairs would be felt first through the increased activities of our envoys overseas, not in Canberra. References to Australia's membership of the G20 as an indirect source of new missions being established in the ACT should also be clarified as the G20 countries already have missions in Canberra.

It appears that the NCA did not anticipate an increase in demand for sites and now finds itself in the difficult position of having no land to spare in Yarralumla and West Deakin with O'Malley apparently blocked.

As a result the NCA is contemplating what some see as a radical action which would ruin a lovely inner city meadow, is arguably harmful to Stirling Ridge, disrupts residents in the adjoining streets and is detrimental to the wider ACT community *and this is the best that the NCA can offer*. This is a clear signal that the time of easy choices of sites in the inner south is over.

Alternative sites

Given that the existing land is not sufficient to meet needs, the inquiry should ask whether other areas in all of the suburbs currently hosting diplomatic missions have been considered.

The investigation should also be widened to examine the suitability of sites in inner suburbs in north Canberra. The consultation has produced a list of alternatives and these and others should be considered.

Presumably the NCA has a list of the occupied sites where missions want to down size and occupied sites where the missions overestimated their need for land in the first place but have not returned it to government.

Chanceries do not have to be in gardens. What consideration have been given to putting missions in office buildings at town centres ?

There are plenty of precedents for this approach offering the advantages of easy access, easier management, cost savings and possibly better security than stand alone buildings or estates. A decision to locate new embassies in office blocks, even temporarily, would reduce the immediate need to provide sites and would take up surplus office space benefiting the ACT economy.

Why does an embassy have to be located within walking distance of Parliament House if it does not have major representation tasks and its business is mainly trade, tourism, visas, consular etc.?

The general question the inquiry could ask is why is the NCA seeking to establish a diplomatic estate in the inner south at this stage where it is now much more difficult to find suitable land, especially for estates ?

The NCA should look for land for estates located further from the city centre. This need not be a second best approach to the problem. It is possible to think that purpose built office blocks for chanceries could have been set up in Northbourne Avenue, Parkes or Barton and a new estate(s) incorporated in the Weston Creek/ Molongolo developments with advantage.

Unsuitable sites

It is puzzling that 15 blocks in the areas nominated for diplomatic use have been deemed unsuitable due to easements, environment (protected grasslands) or terrain (steep and rocky) when these problems might have been seen during the initial selection process. When were these sites discovered to be unsuitable and ruled out ?

Presumably some of these sites are in O'Malley, which is unpopular with diplomats, prompting the question why was O'Malley selected as a diplomatic enclave with its apparent disadvantages ? What steps were taken when these problems were discovered to identify and develop an alternative area for missions ?

How many missions currently established on acceptable sites have indicated that they would like to move to Yarralumla ? Are there any new requests or potential requests from countries for sites as a result of Australia's recent efforts to raise its international profile eg in relation to the bid for UN Security Council membership ?

There is some confusion about the number of remaining available sites in Deakin, where more than ten sites appear to be vacant with only two showing reserved signs.

Site financing

The financing arrangements for diplomatic sites should be reviewed to see what effect they have on the flexibility of the system.

Without information one can only speculate, but if the current financing system derives from an earlier model that might have been designed to attract countries to set up in the National Capital it needs to be reviewed to see if inducements and subsidies (if these exist) are still appropriate.

To what extent does the Commonwealth presently contribute to the cost of establishing diplomatic sites and how much is recovered from missions through lease payments ?

If the Commonwealth recovers all costs from missions this removes a major barrier to the acquisition of new land away from the centre.

If establishment costs (acquiring the land, putting in basic services etc.), are paid by the Commonwealth it is unlikely that alternative sites will ever be competitive.

Arguably, the system should have market signals which indicate the total cost of sites enabling countries to make rational decisions about where to locate their embassies.

This would aid de-centralisation by making the sites outside the inner areas and office accommodation more attractive.

It would also help to avoid a situation where a small mission occupies a million plus dollar site but pays only the same rate as another mission on a less favourable site, which would seem to be both unfair and un-economic.

Yarralumla Brickworks site

While this does not come strictly under the terms of reference, the NCA recommendation for Stirling Park rather than the Yarralumla Brickworks site indicates the way that the NCA tends to favour a site which is easier for it to manage against another site with potentially more complex practical problems but which might yield a better dividend to the community.

The comparative advantage of lower cost was a persuasive factor behind the recommendation for the Stirling Park site. However, a greater number of diplomatic sites could be accommodated at the Brickworks at only a slightly larger establishment cost.

Acquiring the land from the ACT Government could provide the funding it needs to develop the Brickworks, which would halt the proposal for funding intensive commercial housing development adjacent to the Brickworks.

This result would be a win for the diplomatic estate, a win for the ACT Government and arguably a qualified win for Yarralumla. By contrast the Stirling Park site would

be a clear win for the diplomatic community and the NCA, but there are no other obvious beneficiaries.

Limits on numbers of sites in the inner south

A brake on the number of diplomatic sites in the inner south is shortage of suitable land. The problem with continuing to rely on a few suburbs to provide sites is that the search is concentrated on shrinking resources, making it tempting for government to push the boundaries on what is available land.

Vacant land in Yarralumla, which currently hosts more than 30 diplomatic missions, is again being put under pressure, and it is difficult to see where this will end. Are the up to seven sites proposed in Draft Amendment 78 intended as the irreducible minimum to be located in Stirling Park, or are any future changes in land status contemplated by the NCA to enable it to undertake a much larger embassy building program there ?

Security

Security is an important issue both in terms of ensuring safety of missions and making effective use of resources which, among other things, requires the distance security patrols travel to be minimised. However, given that the existing service already stretches from Barton to O'Malley and West Deakin it would not seem too difficult to include other separate sites within that scope and extend it northwards across Lake Burley Griffin.

Public information

One of the striking aspects of Draft Amendment 78 is how little the public knows about the agreements and work involved in administering the diplomatic estate in the ACT.

It is probable that the NCA's predecessors decided that there was no public right to information and got on with the job behind the screen of diplomatic relations.

The NCA today is more open and consultative, but will no doubt be reticent about some arrangements, claiming that deals between countries, even about subjects as basic as accommodation, should be treated as commercial in confidence at least.

This is a valid point, but the other side of the issue is that experience has taught us that security classifications are usually over-rated and that business conducted in secrecy frequently produces problems.

Given the past information shortages it is difficult for an outsider to comment about the effectiveness of the NCA's public information policy on diplomatic estates except with reference to Draft Amendment 78.

On the positive side the NCA declares and has acted in a spirit of open inquiry. There is a visible route to a recommendation, there has been public consultation and background papers are available.

On the other hand, there have been some disquieting features about the presentation of NCA's case, some of which may be caused by perceptions rather than actual failings. In these instances the NCA may have to make extra efforts to reverse the impressions. The instances include the following:

Some members of the public still do not have a clear picture of the NCA's role, not so much in the particulars, which are spelled out quite clearly on line and elsewhere, but in the more subtle area of ownership. Is the NCA an independent body working for "us" collectively, or is it a government agency which links up with other government agencies to bring about what we don't want and can't prevent?

From this impression it is but a short step to make the accusation (justified or not) that the NCA is so busy trying to please its clients it fails to think through the consequences of some of its actions.

The NCA can appear inconsistent. For example, by recognising the environmental values of Stirling Ridge, but not accepting that development a short distance from the Ridge may have a detrimental effect on those values. Again, in expressing concern for householders in a new housing development who might object to a diplomatic estate being inserted into their suburb, but no apparent care for householders in Yarralumla who might face the same experience.

The NCA process of proceeding to a short list from which the site with the comparative advantage is chosen is full of pitfalls, not least what happened in Draft Amendment 78 where the recommended project was one of three alternatives, each with serious problems. The choice should be wider and more palatable.

Something of the same impression is given in the way in which Draft Amendment 78 appears to link the benefit of making Stirling Ridge open space with the detriment of putting a diplomatic estate on its lower slopes as though one would compensate the other.

The review of NCA procedures should open up the information that the public has a right to know and has unnecessarily been kept closed or neglected.

Open space

It is a common observation that governments constantly chip away at open space and this area in Yarralumla is no exception.

In the 1970s the housing development north of Black Street was approved on the basis of misleading information (bringing in young families). Land has been made available for the Canberra Mosque and two embassies at the top of Hunter Street.

The eastern end of the Stirling Park was quietly and discreetly chopped off at Flynn Drive for the extension to the already huge Chinese embassy.

On the table now are proposals to acquire land for development at Attunga Point and to develop National Capital Use land in Stirling Park.

It is accepted that not all present vacant land can, or should, be preserved from development.

But in planning developments on vacant land, whatever it's zoning, the planners must get the judgement right.

At present there are significant differences of opinion between some in the community and the NCA on what constitutes valuable open space and what constitutes land available for development, despite the National Capital Use zonings.

In fact the existence of the National Capital Use zoning on vacant land only indicates the planners' intentions at the time the land was zoned. Those intentions are subject to change over time when community needs, or aspirations may alter.

There is no better example of this in action than Stirling Ridge itself, where the NCA wisely determined that the current land use policy (National Capital Use) did not reflect the Ridge's high conservation values.

But having made the right decision on Stirling Ridge the NCA is wrong in pursuing the diplomatic estate site.

To some the virtues of this proposed site as open space rather than as an embassy estate are so self-evident that it is astonishing they have to be defended against the agency that is charged with reviewing the National Capital Plan which, among other things, aims to preserve and enhance the landscape features which give the National Capital its character and setting.

Handing over an irreplaceable and valued open space in the inner suburbs in order to save costs on a handful of diplomatic sites (only about a third of the sites currently being sought) to meet short term demands is not an easy planning policy to defend in the Centenary Year and the sacrifice would become more poignant for succeeding generations.

Equity

An aspect of the allocation of any land in the ACT for diplomatic purposes is equity. Again without details one can only speculate that diplomatic sites are allocated on a first come first served basis (among other things) which accounts for some of the generous sites in Yarralumla. It may further be supposed that no mission coming to the capital at this stage of the city's development could reasonably expect to be offered exactly the same advantages (key central location and facilities) enjoyed by earlier arrivals.

But one of the unusual features of Draft Amendment 78 is that it would offer new diplomatic sites in locations that are as good as, if not better than, those of long established missions in the inner south.

NCA proposes to do this by opening up National Capital Use land which is out of the reach of ACT residents because, quite rightly, there is virtually no prospect of it becoming a commercial housing development.

This is not equitable treatment. This is an unexpected (and for that reason unnecessary) gift to diplomatic missions at the expense of the ACT community.

The NCA proposals for the diplomatic estate in Stirling Park would be a costly sacrifice made under the wrong assumptions.

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10 January 2013