

**Foreign Affairs, Defence and Trade Legislation Committee**  
**QUESTIONS ON NOTICE—SUPPLEMENTARY BUDGET ESTIMATES, 21 OCTOBER 2015**

**Defence Housing Australia**

| Q No. | Senator | Broad Topic                    | Question   | Proof<br>Hansard<br>page &<br>hearing<br>date or<br>Written Q | Date<br>rec'd | Date<br>Tabled |
|-------|---------|--------------------------------|--|---|---------------|----------------|
| 1.    | Conroy  | Seaward<br>Village<br>covenant | <p><b>Senator CONROY:</b> So the change to the covenant is driven by the money involved in flogging off some of the land to the private sector.</p> <p><b>Ms Dermatossian:</b> The covenant requires the minister's consent to lift it off Seaward Village before that occurs.</p> <p><b>Senator CONROY:</b> I understand that, but the department and DHA have both agreed between themselves that it has to be removed and, other than me saying it is about the money, I have not heard a single other argument about why it should be lifted.</p> <p><b>Lt Gen. Campbell:</b> Senator, I do not think you are going to get an answer without a representative from Defence's Estate and Infrastructure Group present here at the committee hearing, so it would perhaps be appropriate to take it on notice.</p> | Hansard<br>pg 116   | 10/02/16      |                |

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|    |       |                                   | <b>Senator CONROY:</b> Sure. I am happy for Defence to take it on notice.   |                   |          |  |
| 2. | Smith | Seaward Village design principles | <p><b>Senator SMITH:</b> How many security principles are there?</p> <p><b>Mr Wallace:</b> I do not have that information in front of me.</p> <p><b>Senator SMITH:</b> Can you provide it to me on notice?</p> <p><b>Mr Wallace:</b> I could provide the number of principles, yes.</p>   | Hansard<br>pg 118 | 10/02/16 |  |
| 3. | Smith | Seaward Villages demographics     | <p><b>Lt Gen. Campbell:</b> Specifically no, but let me add to that. The greater majority of the families of the personnel who serve at Campbell Barracks live out in the wider Perth community, with only a smaller element of SAS families and then an additional group of other defence families from the Perth area living at Seaward Village. So while a capability assessment has not been undertaken—and I understand when you read this letter you might inquire as such—I would slightly recharacterise your question to ask: has the consideration of defence families living in a community with other Australian citizens around them been undertaken? It has not and, quite frankly, with the great majority of the regiment's personnel living out in the wider Perth community, I am disinclined to think it would be of any value and that capability, in fact, is not affected but for considerations of those design principles which maintain the integrity and security of the barrack area and a maintenance of what</p> | Hansard<br>pg 120 | 10/02/16 |  |

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|    |        |                         | <p>ultimately is a village community in Seaward Village, which I think is being maintained by the concepts that have been developed by DHA.</p> <p><b>Senator SMITH:</b> Thank you, Sir. I respect your judgment on that. When you say 'a greater majority of the families and smaller element' can you give me an indicative, unless you have it in detail, a sense of proportionality between majority, smaller element and other?</p> <p><b>Lt Gen. Campbell:</b> I might be able to. I will have to take that on notice, I think.</p>                   |         |          |  |
| 4. | Ludwig | Departmental Rebranding | <p>1) Has the department/Agency undergone a name change or any other form of rebranding since the leadership change in September, 2015? If so:</p> <p>a) Please detail why this name change / rebrand were considered necessary and a justified use of departmental funds?</p> <p>i) Please provide a copy of any reports that were commissioned to study the benefits and costs associated with the rebranding.</p> <p>b) Please provide the total cost associated with this rebrand and then break down by amount spent replacing:</p> <p>i) Signage.</p> | Written | 10/02/16 |  |

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|  |  |  | <p>ii) Stationery (please include details of existing stationery and how it was disposed of).</p> <p>iii) Logos</p> <p>iv) Consultancy</p> <p>v) Any relevant IT changes.</p> <p>vi) Office reconfiguration.</p> <p>c) How was the decision reached to rename and/or rebrand the department?</p> <p>i) Who was involved in reaching this decision? ii. Please provide a copy of any communication (including but not limited to emails, letters, memos, notes etc) from within the department, or between the department and the government regarding the rename/rebranding.</p> <p>1) Following the changes does the department share any goods/services/accommodation with other departments?</p> <p>2) What resources/services does the department share with other departments; are there plans to cease sharing the sharing of these resources/services?</p> <p>What were the costs to the department prior to the Machinery of Government changes for these shared resources? What are</p> |  |  |  |
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|  |  |  | the estimated costs after the ceasing of shared resource arrangements? |  |  |  |
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| 5. | Ludwig | Staffing -<br>employment of<br>non-Australian<br>citizens | <p>I refer you to section 22 (8) of the Public Service Act 1999 which says:</p> <p>"An Agency Head must not engage, as an APS employee, a person who is not an Australian citizen, unless the Agency Head considers it appropriate to do so."</p> <ol style="list-style-type: none"> <li>1) Does the department have guidelines or similar to assist Agency Heads to assess when it is appropriate to hire non-Australian citizens? If no, do individual agencies have their own guidelines? If yes to either: <ol style="list-style-type: none"> <li>1) Please provide a copy.</li> <li>2) When did they come into effect?</li> <li>3) Can Agency Heads decide to go against the advice? If yes, under what circumstances?</li> </ol> </li> <li>2) Are Agency Heads required to provide a reason to anyone for hiring non-Australian citizens? If yes: <ol style="list-style-type: none"> <li>1) Who are they required to report the reason to?</li> <li>2) Does this reporting happen before or after the hire has been made?</li> <li>3) Is this reason provided in writing? If no, how is it provided?</li> <li>4) Can you please provide a list of reasons that have been used since the Federal election in September, 2013.</li> </ol> </li> <li>3) Are there any provisions to over-rule a Head of Agency's decision to hire a non-Australian citizen? If yes:</li> </ol> | Written | 10/02/16 |  |
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|    |        |  | <p>1) Who can over-rule this decision?</p> <p>2) Under what circumstances can it be over-ruled?</p> <p>3) How many times has this occurred since the Federal election in September, 2013.</p>  |         |          |  |
| 6. | Conroy | DHA board of directors, managing director and review | <p>1) Regarding the Defence Housing Australia (DHA) Board:</p> <p>a) How many director positions are on the DHA Board?</p> <p>b) How many of these are vacant?</p> <p>c) Who are the current occupants of the board and when will their terms expire?</p> <p>2) With respect to potential privatisation of DHA, the Finance Minister's media release of 11 May 2015 stated that a sale of DHA would not go ahead, but that:</p> <p><i>"... the Government will review Defence Housing Australia's accounting, information technology and business reporting systems to improve the transparency of the cost of providing services."</i></p> <p><a href="http://www.financeminister.gov.au/media/2015/0511-smaller-government.html">http://www.financeminister.gov.au/media/2015/0511-smaller-government.html</a></p> <p>a) Did the Lazards scoping study into privatisation explicitly recommend this review?</p> <p>b) What has been done so far in this review?</p> <p>i) When did it begin?</p> | Written | 10/02/16 |  |

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|  |  |  | <p>ii) Has it concluded, or is it ongoing?</p> <p>c) Have any reports been presented to DHA, the Department of Defence, or to any of the portfolio Ministers?</p> <p>i) If so, what were the findings and recommendations of the reports?</p> <p>ii) Are there further reports to be presented?</p> <p>d) Are there any other reviews being conducted of DHA?</p> <p>e) Does the review of accounting, information technology and business reporting systems, or any other review, cover future executive arrangements in DHA?</p> <p>f) Is the review part of preparations for reconsideration by the Government of its current policy of not privatising DHA?</p> <p>3) Regarding Mr Howman's recent resignation (<a href="http://www.abc.net.au/news/2015-11-02/defence-housing-boss-quits/6904632">http://www.abc.net.au/news/2015-11-02/defence-housing-boss-quits/6904632</a>):</p> <p>a) Press reports state that Ms Jan Mason will act in the role of Acting Managing Director – has this arrangement been formalised yet?</p> <p>b) How long does DHA expect Ms Mason to be acting in the role for?</p> <p>c) Does Ms Mason have any Defence experience?</p> <p>d) On what basis and through what process was Ms Mason identified and then selected for this role?</p> <p>i) Did DHA consult the Defence or Finance Ministers or their staff prior to appointing Ms Mason as</p> |  |  |  |
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|    |        |                               | <p>Acting Managing Director? If so, when and by what means (written or verbal)?</p> <p>ii) Did the Defence or Finance Ministers or their staff recommend, agree to or direct that Ms Mason be selected for this role? If so, who was involved and when did these discussions and/or decisions occur?</p> <p>3) Why hasn't a permanent replacement for Mr Howman been appointed?</p>  |         |          |  |
| 7. | Conroy | Seaward Village redevelopment | <p>1) What is the process for the proposed redevelopment of Seaward Village from here?</p> <p>a) Does it need to go through the Western Australian Planning Commission?</p> <p>i) If so when will that take place?</p> <p>b) What are the details of the proposal DHA will be putting forward?</p> <p>c) What relationship does it bear to other proposal drafts that DHA has released?</p> <p>d) Has this proposal been made available to residents of Seaward Village, the local council, residents of neighbouring areas or other stakeholders?</p> <p>2) At Budget Estimates in June 2015, Mr Howman said, in relation to the figures put to him of \$100 million revenue from sale of land and cost of \$165 million for the development:</p> | Written | 10/02/16 |  |

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|  |  |  | <p><i>“Neither of those estimates are my estimates. They are estimates I have seen in newspapers.”</i></p> <p>a) Does DHA now have any figures of its own for revenue from sale of land and cost of development?</p> <p>3) Has DHA developed a business case or financial modelling to compare:</p> <p>a) The cost of the 'refurbishment' scenario, involving refurbishment of existing houses that are deemed not to be of an adequate standard?</p> <p>i) If yes – would DHA provide the business case or modelling?</p> <p>b) Demolition and rebuilding of all existing dwellings and selling another 150 odd private blocks?</p> <p>i) If yes – would DHA provide the business case or modelling?</p> <p>4) Regarding the payback period referred to in answers given in answers to DHA Questions on Notice 21, 22 and 23 from Budget Estimates in June 2015.</p> <p>a) It is not clear why, as claimed in the answers to both DHA Questions on Notice number 22 and 23, that the payback concept is not applicable in the case of new homes: in both cases pay back is through rent received. What is the explanation of the difference?</p> <p>b) With regard to the answer to DHA Questions on Notice number 23 from Budget Estimates in June, which only</p> |  |  |  |
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|  |  |  | <p>provides an explanation of the “concept” of payback, would DHA provide the detail of the calculation that led to its assessment of a “66 year payback”?</p> <p>5) Regarding the referral to the Public Works Committee and the following exchange during Supplementary Estimates on 21 October 2015:</p> <p><i>Senator CONROY: There you are. All I am saying is to let the Public Works Committee do its job, rather than, as has been pointed out—</i></p> <p><i>Senator Payne: I will leave that in the hands of the Senate and the senators.</i></p> <p><i>Senator SMITH: Defence Housing Association is exempt from scrutiny by the Public Works Committee.</i></p> <p><i>Senator CONROY: So we need your permission, Minister, for the committee to have a look at it.</i></p> <p><i>CHAIR: Perhaps the minister might consider that.</i></p> <p><i>Senator Payne: I will indeed. Thanks, Chair.</i></p> <p>a) What advice has been provided, either by Defence or by DHA, to the Minister for her consideration of Public Works Committee examination of the Seaward development proposal?</p> <p>e) If no advice has yet been provided, when will Defence or DHA provide such advice?</p> |  |  |  |
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