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The Parliament of the Commonwealth of Australia

# Development of On-Base Housing for Defence at Puckapunyal, Victoria

Parliamentary Standing Committee on Public Works

June 2005  
Canberra

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## Membership of the Committee

Chair            Hon Judi Moylan MP

Deputy Chair   Mr Brendan O'Connor MP

Members        Mr John Forrest MP

Senator Alan Ferguson

Mr Harry Jenkins MP

Senator Michael Forshaw

Mr Bernie Ripoll MP

Senator the Hon Judith Troeth

Mr Barry Wakelin MP

## Committee Secretariat

Secretary            Mrs Margaret Swieringa

Inquiry Secretaries   Mr Raymond Knight


Ms Vivienne Courto

Administrative Officer   Mr Peter Ratas



## List of Abbreviations

ADF	Australian Defence Force
BAN	Base Area Network
CSIG	Corporate Services Infrastructure Group
DFA	Defence Families of Australia
DHA	Defence Housing Authority
DHF	Defence Housing Forecast
ESD	Environmentally Sensitive Development
PMA	Puckapunyal Military Area
RA	Rent Allowance
TCG	Tenancy Consultative Group
UXO	Unexploded Ordnance



# Extract from the Votes and Proceedings of the House of Representatives

No. 13 dated Wednesday, 9 February 2005

**14 PUBLIC WORKS – PARLIAMENTARY STANDING COMMITTEE –  
REFERENCE OF WORK – DEVELOPMENT OF ON-BASE HOUSING FOR  
DEFENCE AT PUCKAPUNYAL, VICTORIA**

Dr Stone (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, moved – That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Development of on-base housing for Defence at Puckapunyal, Victoria.

Question – put and passed.



# List of Recommendations

## 3 Issues and Conclusions

### Recommendation 1

The Committee recommends that the proposed development of on-base housing for the Defence Housing Authority at Puckapunyal, Victoria, proceed at the estimated cost of \$19.6 million.



## Introduction

### Referral of Work

- 1.1 On 9 February 2005 the proposal for development of On-Base Housing for Defence at Puckapunyal, Victoria, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act)<sup>1</sup>. The proponent agency for this work is the Defence Housing Authority (DHA).
- 1.2 The Hon Dr Sharman Stone MP, Parliamentary Secretary to the Minister for Finance and Administration, advised the House that the estimated cost of the proposed works was \$19.6 million. Dr Stone added that subject to parliamentary and Defence Housing Authority board approval, the construction program is expected to commence in July 2005, with the delivery of completed dwellings expected to occur progressively from February 2006 through to November 2006.

### Background

#### Defence Housing Authority

- 1.3 The DHA was established in 1988 to provide housing and relocation services for Australian Defence Force personnel after it was discovered that low standards of accommodation were having a negative impact on

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<sup>1</sup> Extract from the *Votes and Proceedings of the House of Representatives*, No. 13, Wednesday, 9 February 2005

Defence morale. The DHA aims to provide Defence personnel and their families with a standard of housing at least equal to that enjoyed by the broader community in which they live.

- 1.4 The DHA employs a variety of delivery methods to meet Defence accommodation requirements, including:
- construction off-base with a view to retention or future sale of the properties;
  - construction on-base as dictated by Defence operational or policy requirements;
  - direct purchase of established properties, with a view to retention or future sale; and
  - direct lease through the private rental market.

## Site of the Proposed Work

- 1.5 The proposed development is within the Puckapunyal Military Area (PMA), on land previously occupied by old houses that have been progressively demolished over the years.

## Inquiry Process

- 1.6 The Committee is required by the Act to consider public works over \$6 million<sup>2</sup> and report to Parliament on:
- the purpose of the work and its suitability for that purpose;
  - the need for, or the advisability of, carrying out the work;
  - whether the money to be expended on the work is being spent in the most cost effective manner;
  - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
  - the present and prospective public value of the work.<sup>3</sup>
- 1.7 The Committee called for submissions by advertising the inquiry in *The Age* on Saturday 5 March 2005. The Committee also sought submissions

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2 *Public Works Committee Act 1969, Part III, Section 18 (8)*

3 *Public Works Committee Act 1969, Part III, Section 17*

from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

## Inspection and Public Hearing

- 1.8 On 20 April 2005 the Committee visited the PMA, Victoria and inspected the site and environs of the proposed works. A commercial-in-confidence briefing on project costs from DHA and a public hearing were held within the PMA later that day.<sup>4</sup>

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4 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Wednesday, 20 April 2005 at Puckapunyal.



## The Proposed Works

### Purpose

- 2.1 The purpose of the proposed work is to provide 80 on-base houses to meet the operational requirements of the Australian Defence Force (ADF).

### Need

- 2.2 There are presently 361 DHA managed on-base houses at Puckapunyal. 119 houses were built in the 1960s and a further 100+ in the 1980s. Many of the houses (especially those built in the late 1960s) are considerably small, lack amenity and have been a cause of resident discontent.<sup>1</sup>
- 2.3 The latest available Defence Housing Forecast (DHF) indicates that over the next 5 years, Puckapunyal has a steady requirement to house 412 Defence Families, 80 per cent on base. This number may increase should the School of Military Engineering and School of Infantry be relocated to Puckapunyal in the future.<sup>2</sup>
- 2.4 Given Puckapunyal's remote location, off-base housing is limited, and the sourcing of additional suitable properties at short notice is difficult.

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1 Appendix C, Submission No. 1, paragraph 2.2

2 *ibid*, paragraph 2.3

## Scope

- 2.5 The proposed development will comprise:
- 80 houses<sup>3</sup>; and
  - stormwater drainage, communications, sewerage reticulation, gas and electrical services.<sup>4</sup>

## Project Delivery

- 2.6 It is proposed that the construction be divided into two phases. The first phase would involve construction of residences on land where houses have previously stood. The second phase would involve construction of the remainder of the dwellings after further consultation with Defence on any emergent infrastructure requirements. This project comprises the first phase of the planned Puckapunyal housing project.
- 2.7 The proposed delivery methodology is to employ project home builders on a 'design and construct' basis to provide houses that satisfy all DHA and Defence standards and requirements.<sup>5</sup>

## Cost

- 2.8 The estimated overall project cost is \$19.6 million. This does not include any allowance for the upgrading of infrastructure services outside the subdivision area.<sup>6</sup>

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3 Appendix C, Submission No. 1, paragraph 4.1

4 *ibid*, paragraph 9.2

5 *ibid*, paragraph 17.2

6 *ibid*, paragraph 22.1

## Issues and Conclusions

### Defence Housing Requirements

- 3.1 The Defence Housing Forecast (DHF) for Puckapunyal details a requirement to house 412 ADF families, of which 80 per cent are to be on-base, over the next 5 years.<sup>1</sup>
- 3.2 DHA indicated that the School of Military Engineering may be relocated to Puckapunyal by 2008; and the School of Infantry may be relocated to Puckapunyal by 2011, thus increasing the net on-base housing requirement by 120 – 180.<sup>2</sup>

### Previous Works

- 3.3 In its main submission, DHA reported that 21 new on-base residences had been completed at Puckapunyal in mid-2002, and that a further 20 houses were constructed by December 2004 at a cost of \$5.4 million.<sup>3</sup>
- 3.4 At the public hearing DHA advised the Committee that undertaking these smaller construction projects gave a good indication of infrastructure

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1 Appendix C, Submission No. 1, paragraph 2.3

2 *ibid*

3 *ibid*, paragraph 2.6

requirements at the PMA and also provided an opportunity to test DHA's capacity to obtain competitive bids from local construction agencies.<sup>4</sup>

## Site Selection

### On-Base Housing and Off-Base Housing

- 3.5 The Committee sought clarification as to how DHA determined on-base housing to be the preferred option for ADF personnel at Puckapunyal. At the public hearing, DHA informed the Committee that a major survey of 340 households at the PMA was undertaken in August 2003. Of the 204 responses, 91 per cent indicated a preference for on-base housing.<sup>5</sup>
- 3.6 DHA's main submission identified on-base housing as the most feasible option at Puckapunyal, as land availability in nearby Seymour was very limited, and the Seymour housing market would be too readily distorted by Defence requirements.<sup>6</sup> DHA also informed the Committee that, that there are currently 45 houses (as annuity properties) occupied in Seymour.<sup>7</sup>
- 3.7 Given the Defence Housing Forecast and current level of occupancy on and off-base, the construction of 80 dwellings may be excess to requirements and result in vacant properties.<sup>8</sup>
- 3.8 DHA replied that it has to provide a degree of housing choice for Defence personnel, and reassured the Committee that the amount of on-base housing to be demolished would be approximately equivalent to the number to be replaced. DHA explained further that housing that no longer meets DHA specifications is handed back to Defence, which then decides how that housing will be utilised.

### Lot Size

- 3.9 During the site inspection the Committee was shown a schedule of different lot sizes which was not included in DHA's main submission. According to this document, the new development would comprise:

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4 Appendix D, Official Transcript of Evidence, p. 3

5 *ibid*, p. 4

6 Appendix C, Submission No. 1, paragraph 3.2

7 Appendix D, Official Transcript of Evidence, p. 5

8 *ibid*, p. 7



“...26 blocks of 650 to 699 square metres, 12 blocks of 700 to 749 square metres, 10 blocks of 750 to 799 square metres, 16 blocks of 800 to 849 square metres, 13 blocks of 850 to 899 square metres, and three blocks of 900 to 999 square metres.”<sup>9</sup>

## Nature of Development

### Community Integration

- 3.10 The Committee was interested to know of any issues related to living in a relatively isolated community. The witness for Defence Families Australia (DFA) responded that the housing arrangement at the PMA resulted in the formation of strong social networks. This view was supported by the submission of the Senior Army Representative for PMA which states that the PMA offers extensive support networks for families.<sup>10</sup> Furthermore, those who do not wish to be part of that network, or for personal reasons wish to live outside such an environment, have the option of living off-base in Seymour.<sup>11</sup>

### Cabling Network

- 3.11 At the public hearing, the Committee noted that the needs of DHA clients (Defence personnel) are in part dictated by community standards. Given the increasing importance of broadband connections in the wider community, the Committee enquired as to what optical fibre or cabling provision was incorporated into the proposal.<sup>12</sup>
- 3.12 DHA informed the Committee that presently, the married precinct of PMA was not connected to the optical fibre network that runs through the base, but added that a decision to connect on-base housing to the optical fibre network may occur in the future. However, the current project does not include any provision for the laying of optical fibre cables.<sup>13</sup>

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9 Appendix D, Official Transcript of Evidence, p. 18

10 Submission No. 3, p.2

11 Appendix D, Official Transcript of Evidence, p. 23

12 *ibid*, p. 10

13 *ibid*

## On-Base Amenities

- 3.13 Amenities within the PMA include a golf course, schools, shops, churches, fitness centre and child care centre. As no provision for upgrade to amenities is included in the current proposal,<sup>14</sup> the Committee was interested to learn how the proposed construction project would impact upon the available facilities.<sup>15</sup> DHA responded that there should be little or no impact to on-base amenities and facilities as a result of the proposed housing project, mainly because the proposal is replacing older houses and not changing the number of families on-base.<sup>16</sup>
- 3.14 The witness for DFA commented that the on-base school was a major drawcard to PMA, as proximity to school and the safety of children is a major concern of young Defence families. The DFA witness continued that the standard of on-base amenity meets the needs of the isolated community.<sup>17</sup>
- 3.15 DHA further stated that the recently opened child care centre was built for existing demand, and it is anticipated that this demand will not change as a result of the proposal.<sup>18</sup> DFA agreed that existing amenities were being utilised well, and that no change would be required as a result of the proposed housing.

## Infrastructure

- 3.16 Noting that the DHA proposal does not include significant provision for essential services infrastructure to the proposed new dwellings, the Committee sought clarification as to who would bear responsibility for lot servicing. At the public hearing, DHA responded that its responsibility in this respect ends at the lot boundary, beyond which services and infrastructure are provided by Defence.<sup>19</sup>

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14 Appendix C, Submission No. 1, paragraph 9.3

15 Appendix D, Official Transcript of Evidence, p. 13

16 *ibid*, p. 14

17 *ibid*, p.23

18 *ibid*, p.14

19 *ibid*, p. 10

## Environmental Considerations

### Energy Rating

3.17 In its main submission, DHA states that houses are built to:

“...a minimum of 4-star energy rating in accordance with Commonwealth Government policy and a 5 star energy rating under the Victorian Government 5 Star House Policy.”<sup>20</sup>

3.18 The Committee sought confirmation that DHA would be meeting its stated energy rating objectives. DHA reported that houses would meet the Victorian Government standard.<sup>21</sup>

### Retention of Trees

3.19 In its main submission, DHA stated that the retention of large sized trees in the construction area would be encouraged.<sup>22</sup> During the site inspection, the Committee noticed that, whilst there were many trees within the general PMA, there was not an overabundance of trees on the land where the houses are proposed to be built. At the public hearing, DHA reiterated its intention to retain as many mature trees as possible, adding that landscape plans for the development would include significant new plantings. DHA added that trees may be removed where they affect the orientation of the housing, or where they pose a threat to the operation of essential services.<sup>23</sup>

### Environmental Management Plan

3.20 The Committee sought clarification on the environmental impact mitigation strategies and assessments described in DHA’s main submission. DHA responded that an environmental management plan had been developed for the site and would be discussed with the local Defence Corporate Support and Infrastructure Group (CSIG). Strategies included in the plan would include erosion control, stormwater management and litter minimisation.<sup>24</sup>

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20 Appendix C, Submission No.1, paragraph 15.1

21 Appendix D, Official Transcript of Evidence, p. 11

22 Appendix C, Submission No. 1, paragraph 16.1

23 Appendix D, Official Transcript of Evidence, p. 12

24 *ibid*, p 16

## Contamination Assessment

3.21 DHA's main submission states that

*"An assessment has not been undertaken of chemical, heavy metal and unexploded ordnance (UXO) contamination."*<sup>25</sup>

3.22 When asked why this was the case, DHA replied that, as the proposed site was previously a residential area, an assessment of this nature was not required. DHA added that, through discussions with local CSIG consultants, it had ascertained that the site has no history of contamination by chemicals, heavy metals or unexploded ordnance. Geotechnical tests undertaken by DHA had confirmed the absence of hazards at the site.<sup>26</sup>

## Sir Walter Buffalo Grass

3.23 During the site inspection the Committee noted the proposed use of Sir Walter buffalo grass in the landscaping of the development, and sought more detail as to why this particular grass was chosen. The DHA landscape architect informed the Committee that Sir Walter buffalo grass is a:

*"...low maintenance, drought tolerant lawn suitable for Australian conditions. Sir Walter buffalo is a non-invasive, creeping type lawn that will tolerate full sun to 90 per cent shade and has low water and maintenance requirements."*<sup>27</sup>

DHA's landscape architect continued:

*"Average lawns need to be watered every three to four days. This type of buffalo requires watering once every 15 to 20."*<sup>28</sup>

## Consultation

### Defence Personnel

3.24 The Committee were interested to hear how DHA had conducted the PMA personnel housing preference survey, which had shown a clear preference for on-base housing. DHA reported that in mid-August 2004, a

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25 Appendix C, Submission No. 1, paragraph 10.2

26 Appendix D, Official Transcript of Evidence, p. 17

27 *ibid*, p.19

28 *ibid*, p. 20

self completion questionnaire had been hand-delivered to 340 Puckapunyal area households. The return rate of the questionnaire was 60 per cent (204 households).<sup>29</sup> Of the returned questionnaires, 91 per cent had indicated a preference for detached housing and 86 per cent preferred single-storey dwellings.

## Local Impact

3.25 The Committee sought more detail on the tendering process for the proposed 80 houses. DHA explained that the civil component of the tender would be arranged first, followed by the tendering of the housing construction as 16, 17 or 18-house packages, as dictated by the market. DHA anticipates that this will enable a wider range of subcontractors and suppliers to participate in the project, and will also allow for staged delivery.<sup>30</sup> DHA added that the proposed tendering process would provide opportunities for local subcontractors and suppliers, resulting into economic benefits for the local community.<sup>31</sup>

### Recommendation 1

**The Committee recommends that the proposed development of on-base housing for the Defence Housing Authority at Puckapunyal, Victoria, proceed at the estimated cost of \$19.6 million.**

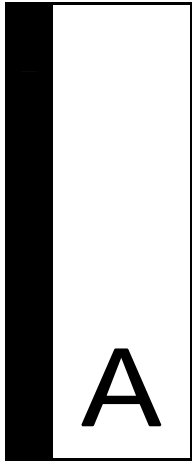
Hon Judi Moylan MP  
Chair  
1 June 2005

<sup>29</sup> Appendix D, Official Transcript of Evidence, p. 18

<sup>30</sup> *ibid*, p. 14

<sup>31</sup> *ibid*, p. 15





## Appendix A – List of Submissions

### Submissions

1. Defence Housing Authority
2. Defence Families Australia
3. Brigadier WT Bowen
4. Defence Housing Authority (supplementary)
5. Defence Housing Authority (supplementary)







## Appendix B – List of Witnesses

Mr Richard Bear, General Manager, Defence Housing Authority

Mr Matt Chambers, Regional Manager South East Australia, Defence Housing Authority

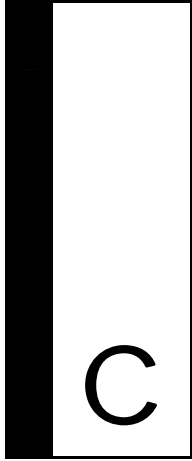
Mrs Mandy Elliot, National Delegate Victoria/Tasmania, Defence Families of Australia

Mr Gavin Kemp, National Development Manger, Defence Housing Authority

Mr Keith Lyon, Managing Director, Defence Housing Authority

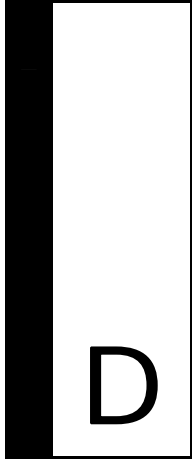
Mr Ellis Wendt, Construction Project Manager, Defence Housing Authority





Appendix C – Submission No. 1 from the  
Defence Housing Authority





Appendix D – Official Transcript of  
Evidence

