

The Proposed Works

Need

- 2.1 The most recent Defence Housing Forecast for the Newcastle area anticipates growth in the Defence requirement from 839 in the current financial year to a total of 892 homes in the 2005-06 financial year. This figure partially reflects the increase in personnel expected in association with the establishment at RAAF Base Williamtown of the new Airborne Early Warning and Control capability¹.
- 2.2 At present, the level of rental allowance being paid to Defence personnel leasing homes through the private market exceeds the DHA's Corporate Plan Objective by 8%. DHA believes that this situation can be rectified by increasing the proportion of properties owned and managed by DHA.
- 2.3 Whilst the DHA has ample properties in the vicinity of RAAF Base Williamtown, it has a shortage of houses in the Newcastle city area. In oral evidence given to the Committee the Managing Director of the DHA, Mr Keith Lyon, stated that it is important for the DHA

...to provide housing for those members of the Defence Force who have particularly a need to live closer to the city².

1 Facilities for the Airborne Early Warning and Control Aircraft at RAAF Base Williamtown were the subject of the Committee's second report for 2002.

2 Appendix D, Official Transcript of Evidence, p. 2

Mr Lyon cited spouse employment opportunities and the educational requirements of older children as factors contributing to this need.

Scope

- 2.4 The proposed development will include:
- 72 dwellings, comprising 60 four-bedroom detached residences and 12 three-bedroom townhouses;
 - one internal main road, with two entrances off Bruncker Road and two connecting internal roads and pedestrian links; and
 - associated infrastructure works including stormwater drainage, sewerage, communications, gas and electricity supply.

Purpose and Suitability

- 2.5 The purpose of the proposed development is to expand the range of housing options open to Defence personnel in the Newcastle area and to meet Defence housing requirements in a flexible and cost-effective manner.
- 2.6 A survey of the housing preferences of Defence personnel in the Hunter region undertaken by the DHA revealed detached homes to be the most preferred option, with townhouses as a second choice and apartments the least preferred³. Taking these preferences into account, the DHA's development proposal for the Adamstown site includes 60 free-standing houses and 12 townhouses.
- 2.7 The location of the development in close proximity to the Newcastle central business district will enable the DHA to provide housing for Defence personnel with a particular requirement to live closer to the city.

3 Appendix C, Submission No. 1, paragraph 4.2

Cost

- 2.8 The total estimated cost of the proposed development is \$21.6 million. This figure, based on the preliminary town planning concept of 60 detached houses and 12 townhouses, represents an average cost of \$300,000 per dwelling. It is anticipated that the project will be delivered by means of a competitive lump sum tender by experienced developers from the local construction industry⁴.
- 2.9 DHA believes that the proposed construction project represents a cost-effective and flexible means of acquiring additional owned real estate.

Present and Prospective Public Value

- 2.10 The DHA expects that the development project will have a beneficial impact upon the local economy during the construction phase, through both on-site employment opportunities and the off-site supply of materials, plant and equipment⁵.
- 2.11 The DHA states that preference will be given to Australian-made construction materials and finishes throughout the project⁶.

4 Appendix C, Submission No. 1, paragraphs 18 and 22

5 ib id, paragraph 25.2

6 ib id, paragraph 25.1

