

Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senate Committee,

**RE: Senate Foreign Affairs, Defence and Trade References Committee
Inquiry into Management of Defence Estate Assets**

PIA thanks the Senate Committee for the invitation to make a submission to the inquiry into the management of defence estate assets. The Planning Institute of Australia (PIA) is the peak professional institute representing over 6,000 urban and regional planners across Australia.

When the divestment announcement was made by government in early February, [PIA responded publicly](#) and firmly, calling for strategic planning of Defence land before divestment occurs. Our position remains unchanged, and in this submission we clearly outline the steps required to ensure nationally significant land-holdings are re-purposed in the national interest.

Summary Statement

- This is a once-in-a-generation release of Commonwealth land that will shape Australian cities, housing availability and infrastructure costs for decades.
- The Federal Government has acknowledged the Defence estate is unfit and misaligned, yet land is being disposed of before its optimal national use is known.
- Selling these sites through standard market processes risks locking in fragmented, lower-value outcomes that cannot be reversed, which means fewer homes, jobs and infrastructure for the future.
- Every unplanned disposal is a missed opportunity to deliver housing at scale, coordinate infrastructure, and lift national productivity.
- **PIA's ask:** ensure upfront strategic planning for all Defence land before sale, so disposal decisions deliver long-term national value, not just short-term return

Introduction

The Australian Government's decision to divest 67 Defence estate sites, following the 2023 Defence Estate Audit, represents one of the most significant Commonwealth land disposals in decades. This decision creates a rare opportunity to reposition nationally significant landholdings to support housing, infrastructure and productivity outcomes.

However, without upfront strategic planning, there is a risk that these once-in-a-generation assets will be disposed of through standard market processes that fail to maximise their long-term national value.

The Planning Institute of Australia (PIA) supports the rationalisation of Defence landholdings where assets are no longer aligned with capability requirements. However, the current approach risks disposing of nationally significant land before its optimal long-term use has been strategically determined.

Key Recommendations

PIA recommends that the Australian Government:

- Undertake a **strategic planning assessment prior to the disposal** of Defence estate assets to determine optimal value and future uses
- Establish a **National Defence Planning Framework** to align estate decisions with housing, infrastructure and productivity priorities
- Use **disposal mechanisms that deliver planned outcomes**, including conditional sales and partnerships
- Enable **early engagement and access for state, territory and local governments**
- Align Defence estate decisions with **planning systems and infrastructure investment**

The Audit calls for a strategic, capability-aligned estate, but disposal processes remain driven by short-term value-for-money considerations. PIA's recommendations would align disposal processes with this strategic intent and ensure long-term national value is realised.

Context and Opportunity

The current divestment program¹ includes **64 sites identified for full divestment and additional partial releases**, approximately **35,000 hectares of land**, and many are **well-located metropolitan and regionally significant sites**.

This reform coincides with a projected **housing shortfall of over 250,000 homes by 2029**², increasing pressure on urban infrastructure systems, and the opportunity to improve national productivity through more efficient land use.

Taken together, these factors position Defence estate assets as a **strategic national resource**, capable of contributing to multiple policy objectives if planned and delivered in a coordinated way.

¹ Department of Defence (2026), [Delivering the Future Defence Estate](#)

² National Housing Supply and Affordability Council, [State of the Housing System Report 2025](#)

Current Framework

The current approach to Defence estate disposal is broadly characterised by:

- Identification of surplus assets
- Transfer to disposal processes administered through the Department of Finance
- Sale at **market value, typically through open market processes**, with an emphasis on achieving value-for-money for the Commonwealth³

This approach provides fiscal discipline and transparency. However, it also means that **decisions about future land use are often shaped by market conditions rather than an assessment of long-term national interest.**

While the Audit calls for a strategic reorientation of the estate towards future capability needs, the current disposal framework remains largely transactional.

Key Issues

1. Absence of Upfront Strategic Land Use Planning

There is currently no consistent requirement for surplus Defence land to undergo a **comprehensive planning assessment prior to disposal**. As a result:

- Opportunities to align land with the wider housing, infrastructure and economic priorities of government may not be fully realised
- Development outcomes are more likely to be **market-driven, fragmented and reactive**
- The Commonwealth's ability to influence long-term outcomes is reduced or removed once land is divested

2. Scale and Irreversibility of Decisions

The scale of the current program means decisions taken now will have **long-term and largely irreversible impacts** on urban structure and growth patterns, infrastructure demand and cost, and community outcomes and access to services

Once land is sold, the opportunity to shape these outcomes is significantly constrained. The Audit identifies the estate as being on an “unsustainable trajectory”, reinforcing the need for deliberate, long-term decision-making rather than one-off disposals.

³ Department of Defence, 2026; Commonwealth Property Disposal Policy

3. Limited Integration with Planning and Infrastructure Systems

There are limited formal mechanisms to ensure Defence estate decisions are aligned with state and local planning frameworks, and coordinated with infrastructure investment and sequencing.

This will result in increased infrastructure costs, missed opportunities for transit-oriented or precinct-scale development, and inefficient development outcomes.

4. Housing Outcomes Not Systematically Embedded

While Defence land has the potential to contribute to housing supply, including affordable housing, there is currently no consistent mechanism to embed housing outcomes within disposal processes.

Given the national housing context, this represents a missed opportunity to leverage Commonwealth land for broader public benefit.

Recommendations

PIA recommends the following reforms to strengthen the management and disposal of Defence estate assets.

1. Undertake a Strategic Planning Assessment Prior to Disposal

Introduce a requirement that all surplus Defence land undergo a **strategic planning assessment before disposal decisions are finalised**, considering at a minimum:

- Housing supply potential, including affordable housing
- Infrastructure capacity and alignment
- Economic productivity outcomes
- Environmental, natural hazards, and community considerations

This will ensure consolidation and divestment decisions are sequenced to maximise whole-of-government outcomes, not just asset realisation.

2. Establish a National Defence Planning Framework

Develop a coordinated framework across Defence, Infrastructure and Housing portfolios to support the Government's objective of reorienting the Defence estate toward contemporary and future security challenges, while maximising broader economic and social outcomes.

3. Use Disposal Mechanisms to Deliver Planned Outcomes

Where land is divested, apply mechanisms that support identified land use outcomes, including conditional or structured sales, partnerships with government and private sector, staged release aligned with infrastructure delivery.

This aligns with the Audit's recommendation to consider alternative finance and delivery models.

4. Partner with State and Local Governments

Provide structured pathways for state, territory and local governments to participate early in planning processes and acquire or partner in the delivery of priority outcomes such as housing and infrastructure.

5. Integrate Planning and Infrastructure Decision-Making

Require Defence estate decisions to have regard to State and local planning frameworks, and infrastructure investment strategies and sequencing. This will improve efficiency and reduce long-term costs.

Conclusion

The Defence Estate Audit has established a clear case for reform: the estate must be smaller, more focused, and aligned to future needs. The opportunity is to ensure those decisions deliver long-term national value and support wider government priorities.

Embedding strategic planning at the front end of disposal processes will ensure that this reform supports Defence capability, unlocks housing and infrastructure outcomes, and improves productivity through better land use.

Without this, there is a real risk that a once-in-a-generation land release will deliver suboptimal and irreversible outcomes.

PIA stands ready to work with the Commonwealth to support a more integrated, planning-led approach to Defence estate management. PIA would be pleased to appear before the committee to provide more information. Please get in touch via Nicole Bennetts, National Head of Policy and Advocacy [REDACTED]

Yours sincerely,

[REDACTED]

Matt Collins MPIA
Chief Executive Officer