



Community and Public Sector Union
Rupert Evans – Deputy National President

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

5 February 2015

Dear Committee Secretary

Inquiry into the operations of Defence Housing Australia

The Community and Public Sector Union (CPSU) is an active and progressive union committed to promoting a modern, efficient and responsive public sector delivering quality services and quality jobs. We represent around 55,000 members in the Australian Public Service (APS), other areas of Commonwealth Government employment, ACT Public Service, NT Public Service, ABC, SBS and the CSIRO.

As the major union representing employees in Defence Housing Australia, the CPSU welcomes the opportunity to make a submission to this inquiry into operation of Defence Housing Australia.

Defence Housing Australia (DHA) provides housing and related services to Australian Defence Force (ADF) members and their families. In doing this DHA supports the operational, recruitment and retention goals of the Department of Defence.

DHA is involved in buying and developing land and constructing and purchasing homes. It manages more than 18,000 properties worth about \$10 billion, including its own property portfolio, worth more than \$2.9 billion. Each year DHA sells a portion of their property portfolio to investors through a property investment and leaseback program. DHA then manages these leases which are provided to ADF members. The revenue generated from these activities provides DHA's primary source of income. In 2014-15, it paid the government a dividend of \$53.9 million.¹

The CPSU is concerned that Defence Housing Australia continues to be under threat from privatisation. This is despite it being an essential, efficient, profitable and extremely successful part of Defence support arrangements, with a recent survey showing DHA has a customer satisfaction rating of 93 per cent amongst tenants.²

¹ AAP, Senate to inquire into defence housing, 2 December 2015, <http://www.news.com.au/national/breaking-news/senate-to-inquire-into-defence-housing/news-story/3e3a0b63c4694f6d58abfe701057264d>

² Defence Housing Australia, DHA Annual Report 2014–15: Performance reporting - Objective 2: Service delivery, 7 October 2015, https://www.dha.gov.au/annual-reports/2014-2015/performance_reporting/objective_2_service_delivery.html

Many DHA workplaces are in regional locations with offices in Townsville, Darwin, Wodonga, the Hunter and Ipswich amongst others. There are also 19 Housing Management Centres located around Australia, many are in regional areas and are close to Defence establishments, for example, in Wagga Wagga (NSW) and Sale (VIC). DHA employees, particularly in regional areas are often the partners of serving ADF members. Privatisation would put at risk many of these jobs.

Though the Government has previously said it would retain ownership after the scoping study into the sale of Defence Housing Australia³ and a spokesman for Finance Minister has said there are no plans to sell the organisation, the appointment of an official from the Department of Finance as managing director has raised concerns that plans to privatise it were being revived.⁴ Air Chief Marshal Binskin has said the organisation provided an "essential service" to Defence personnel and their families, in turn strengthening the national's military capability.⁵

The CPSU also notes that the Government did not rule out the sale of Defence Housing Australia, only stating it would not proceed with the sale "at this time."⁶

Defence Housing Authority is an essential, efficient, profitable and extremely successful part of Defence support arrangements

The CPSU opposes any moves to privatise Defence Housing Australia and recommends the Government rule out any future sale of this important public asset.

For further information, please contact Dr Kristin van Barneveld, Director of Research via email Kristin.vanbarneveld@cpsu.org.au or 0420 316 825.

Yours sincerely,

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³ Department of Finance, Scoping Studies, 2 February 2016, <http://www.finance.gov.au/procurement/scoping-studies/#dha>

⁴ Phillip Thomson, Questions over Defence Housing Australia boss loss, Canberra Times, 11 November 2015, <http://www.canberratimes.com.au/national/public-service/questions-over-defence-housing-australia-boss-loss-20151111-gkw75m.html>

⁵ David Wroe, Defence chief Mark Binskin warns against privatising military housing, 3 November 2015, <http://www.smh.com.au/federal-politics/political-news/defence-chief-mark-binskin-warns-against-privatising-military-housing-20151103-gkptn4.html#ixzz3rncWWGFx>

⁶ Mathias Cormann, Media Release - Smaller Government – Transforming The Public Sector, 11 May 2015, <http://www.financeminister.gov.au/media-release/2015/05/11/smaller-government-%E2%80%93-transforming-public-sector>