



MEDIA RELEASE

THE HON DR BRENDAN NELSON

Minister for Defence

Thursday, 22 March 2007

024/2007

IMPROVED HOUSING FOR ADF MEMBERS AND THEIR FAMILIES

I am pleased to announce an \$84 million initiative that will deliver an improved standard of contemporary housing for Australian Defence Force members with dependants.

Tax-free subsidised housing is a significant benefit of ADF service and is a major factor in members deciding to maintain their military careers.

It is also important that the Defence housing stock reflects current community standards and meets the needs and expectations of today's military workforce and their families.

The new housing classification system will give ADF members and their families more flexibility and a greater variety of Defence housing. For example, members may live in allocated Defence housing that meets or exceeds the new minimum standard and pay the usual member contribution, or elect to occupy housing above their usual entitlement and pay a higher personal contribution. Their choice could also extend to living in a suburban house or an inner-city apartment.

The new classification system will also result in a higher minimum housing standard that includes an ensuite bathroom, security features and a covered outdoor living area from July 2009, in addition to the current three-bedroom house benchmark. This will particularly benefit the junior ranks.

Under this initiative, Defence will maintain its 50 per cent national rental subsidy and member rental contributions will remain based on rank/salary groupings. The housing subsidy is not reportable for income tax purposes and Defence pays the fringe benefits tax on this employee benefit.

The improved minimum standard and better quality housing stock over time will result in slightly higher member rental contributions by personnel at or below corporal-equivalent rank.

To reduce the financial impact on these ADF members, there will be a two-year moratorium on personal contribution increases directly related to this initiative. Member rental contributions are planned to then gradually increase over a ten-year period, starting from 1 July 2009. The existing basis of adjusting rental contributions once a year will continue in the meantime.

Defence's new housing classification policy will enable Defence Housing Australia, as the provider of housing for ADF members with dependants, to progressively deliver a greater variety of housing types.

The new housing classification system will come into effect on 1 July and will be rolled-out over the next ten years. More information is available at: www.defence.gov.au/dpe/pac

For a free subscription to Defence Direct, the Minister for Defence's monthly e-newsletter, please follow this link:

<http://www.minister.defence.gov.au/defencedirect/spt/subscribe.html>

Media contacts

Nigel Blunden	(Dr Nelson)	02 6277 7800	0407 632 931
Defence Media Liaison		02 6265 3343	0408 498 664