

The Senate

Foreign Affairs, Defence and
Trade References Committee

Management of Defence estate assets:
Interim report

September 2026

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Terms of reference

The planning, management, utilisation and disposal of Defence estate assets, with particular reference to:

- (a) the alignment of Defence estate planning with Australia's defence requirements;
- (b) the processes for planning and conducting acquisition, management, development, upgrade and disposal of Defence estate assets;
- (c) how the requirements of the permanent forces, reserve forces and cadet units are captured and incorporated into the planning and management of the Defence estate;
- (d) the financial assumptions underpinning estate divestment, including estimated remediation costs, net return projections, previous Defence property disposal programs and the transfer of responsibility from the Department of Defence to the Department of Finance;
- (e) the heritage significance of Defence estate assets and the adequacy of measures to protect that significance during and following divestment, including the impact on veteran and community connections to sites of military service;
- (f) the Defence estate audit, including its planning, conduct and the potential of the period between its completion and public release to have degraded validity of the audit's findings;
- (g) consideration of an amended policy framework for the use of surplus Defence land that prioritises alternative public uses over private development; and
- (h) any other related matters.

Abbreviations and acronyms

ADF	Australian Defence Force
ANAO	Australian National Audit Office
CH	Commonwealth Heritage
CHL	Commonwealth Heritage List
CPDP	Commonwealth Property Disposal Policy
CPMF	Commonwealth Property Management Framework
Defence	Department of Defence
Defence Estate Audit	The 2023 audit of the Defence estate
DHA	Defence Housing Australia
Environment	Department of Climate Change, Energy, the Environment and Water
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</i>
Finance	Department of Finance
Framework	Commonwealth Property Management Framework (RMG 500)
Harbour Trust	Sydney Harbour Federation Trust
LAA	<i>Lands Acquisition Act 1989 (Cth)</i>
NH	National Heritage
Review	2023 Defence Strategic Review
RUSI	Royal United Services Institute for Defence and Security Studies–Australia
RUSI QLD	Queensland’s Royal United Services Institute for Defence and Security Studies
RUSI VIC	Royal United Services Institute for Defence and Security Studies in Victoria
SIP	Strategic Industry Partner
WH	World Heritage

List of recommendations

Recommendation 1

- 5.17 The committee recommends that the Australian Government immediately halt the mass divestment program of Australia's foundational Defence estate and the work of the Defence Estate Audit divestment program, until a proper public consultation process is completed, and legislative checks and balances are in place in accordance with Recommendation 2.

Recommendation 2

- 5.18 The committee recommends that the Australian Government undertake the baseline security review in accordance with the original stated intention of the 2023 Defence Strategic Review recommendation on which the Defence Estate Audit was based.

Recommendation 3

- 5.26 The committee recommends that the Department of Defence and the Department of Finance implement a nationally consistent public consultation framework for proposed divestments from the Defence estate. This should include mandatory engagement with relevant state and local governments, veterans' and community organisations, members and their families, and other affected stakeholders, prior to any divestment decision.

Recommendation 4

- 5.34 The committee recommends that the Australian Government acknowledge the impact on mental health for veterans, serving Australian Defence Force personnel, and their families caused by the current Defence estate divestment process, and provide services and support to affected persons.

Recommendation 5

- 5.35 The committee recommends that the Australian Government cease any action that has adversely impacted cadets and reserves and instead invest more into already existing cadet and reserves facilities and units. This recommendation is intended to redress impacts on accessibility, participation and training opportunities, retention and recruitment, community engagement and presence, readiness and mobilisation.

Recommendation 6

- 5.39 The committee recommends that the Australian Government commission an immediate, genuinely independent and comprehensive review of the Defence estate to assess the strategic, heritage, environmental and community

values of Defence assets. This review should expressly identify and examine the impacts of divestments from the estate, to fully and accurately inform decision-making going forward.

Recommendation 7

- 5.41 The committee recommends that the Australian Government introduce legislation to create a new classification for the permanent protection of Australian Defence Force buildings, parade grounds, memorials, and museums that conserve the military, cultural or historical significance of these sites.

Recommendation 8

- 5.43 The committee recommends that the Australian Parliament enact new legislative powers to disallow any government decision to wholly or partially divest a defence estate asset to protect sites of national significance or strategic importance.

Recommendation 9

- 5.47 The committee recommends that the Department of Defence include within its Annual Report more information on the management of the Defence estate. This should include at a minimum:
- the identification and net return for each disposal;
 - the notification and timeframe for each proposed disposal;
 - the specification of costs for each disposal (completed and proposed) including any recent investments;
 - the capability projects funded from the proceeds of disposals; and
 - assessment of whether savings and outcomes have been achieved.

Recommendation 10

- 5.50 The committee recommends that the Auditor-General of Australia commence a comprehensive performance audit of the Security and Estate Group in the Department of Defence in this term of Parliament. The audit should examine but not be constrained by:
- whether overcentralisation has contributed to the soaring costs of estate management;
 - whether contracting base services complements capability or replaces it;
 - whether too much power has been consolidated into the Security and Estate Group to the detriment of the force elements that it is intended to serve;
 - the effect that consolidation of base services has had on:
 - competition and prices for basic services;

- the ability of force elements to undertake basic tasks in a cost-effective manner;
 - the ability of local Small and Medium Enterprises to participate in the procurement process;
 - the ability to monitor and detect fraud;
 - whether the current Security and Estate Group reporting structure is fit for purpose; and
- any related matters.

Recommendation 11

5.54 The committee recommends that the Department of Defence integrate greater transparency into its management of the Defence estate, including in relation to planning, rationalisation, divestment and the redevelopment of assets. This recommendation is intended to mandate greater transparency in public release of tender documentation, procurement contracts and conflict of interest declarations for all Defence undertakings.

Chapter 1

Introduction

- 1.1 On 24 April 2023, the Australian Government released a public version of the Defence Strategic Review (the Review).¹ The Review found that the general approach to defence policy is no longer fit for purpose. Instead, the Review outlined a new strategic conceptual approach to Australia's defence planning and strategy (the National Defence):

National Defence is focused on the defence of Australia in the face of potential threats in our region. Our nation and its leaders must take a much more whole-of-government and whole-of-nation approach to security.²

- 1.2 The Review set out six immediate actions to reprioritise Defence's capabilities. One action was to improve the Australian Defence Force's (ADF) ability to operate from Australia's northern bases.³ The Review cautioned:

Although the Review has focussed its work for force posture and preparedness on the immediacy of the most important strategic operational estate and infrastructure considerations in the north of Australia (which must commence immediately), the Government cannot afford to lose sight of the importance of foundational estate and infrastructure for Defence.

We recommend that the Government would benefit from conducting an enterprise-wide audit to baseline estate and infrastructure. The audit should focus on workplace health and safety. The protective security of bases should also be included.

Once this audit is complete, investment must be made in the estate. Priority investments should be focussed on the northern Australian bases in the first instance.⁴

- 1.3 Despite the Review recommending an enterprise-wide audit focusing on workplace health and safety and protective security, cautioning that 'the Government cannot afford to lose sight of the importance of foundational estate and infrastructure for Defence', on 28 August 2023 the Australian Government announced an audit of the estate with the view to

¹ The Hon Anthony Albanese MP, Prime Minister, and The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, 'Release of the Defence Strategic Review', *Joint Media Release*, 24 April 2023, www.minister.defence.gov.au/media-releases/2023-04-24/release-defence-strategic-review (accessed 24 April 2026).

² Australian Government, *National Defence, Defence Strategic Review*, 2023, p. 18, www.defence.gov.au/about/reviews-inquiries/defence-strategic-review (accessed 24 April 2026).

³ Australian Government, *National Defence, Defence Strategic Review*, 2023, p. 7.

⁴ Australian Government, *National Defence, Defence Strategic Review*, 2023, p. 83.

divesting the foundational estate. The ‘audit’ (the authors later gave evidence that it was not an audit)⁵ would consider a range of matters to ensure that the estate ‘meets operational and capability requirements, now and in the future’ (the Defence Estate Audit).⁶

- 1.4 The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and the Hon Matt Thistlethwaite MP, then Assistant Minister for Defence (collectively, the Defence Ministers), added:

In particular, the Audit will examine whether the estate reflects contemporary needs in light of the Government’s decision to prioritise investment in Australia’s northern network of bases, ports and barracks, in response to the Defence Strategic Review.⁷

- 1.5 The Defence Estate Audit was delivered to the Australian Government on 22 December 2023,⁸ and on 4 February 2026, the government released a public version of the audit together with its response.⁹ The first audit recommendation was for the divestment of 68 Defence sites (Appendix 3). The government agreed to divest all sites recommended for divestment by the authors of the report, except for part HMAS *Penguin* (Mosman, Sydney) and its Pittwater Dive Annex, which was retained in full in response to advocacy from the Hon Peter Khalil MP, now Assistant Minister for Defence, who visited the site and noted its importance.

⁵ Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, pp. 2–3 and 4.

⁶ The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and The Hon Matt Thistlethwaite MP, Assistant Minister for Defence, ‘Independent audit of Defence estate’, *Media Release*, 28 August 2023, www.minister.defence.gov.au/media-releases/2023-08-28/independent-audit-defence-estate (accessed 24 April 2026).

⁷ The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and The Hon Matt Thistlethwaite MP, Assistant Minister for Defence, ‘Independent audit of Defence estate’, *Media Release*, 28 August 2023.

⁸ Australian Government, Defence, ‘Defence Estate Audit’, www.defence.gov.au/about/reviews-inquiries/defence-estate-audit (accessed 24 April 2026). Also see: Department of Defence (Defence), answers to questions on notice, sent 5 May 2026 (received 26 May 2026) [p. 6].

⁹ The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and The Hon Matt Thistlethwaite MP, Assistant Minister for Defence, ‘Delivering the Future Defence Estate’, *Joint Media Release*, 4 February 2026, www.minister.defence.gov.au/media-releases/2026-02-04/delivering-future-defence-estate (accessed 24 April 2026).

- 1.6 The Department of Defence (Defence) would not inform the committee as to when the government decided to accept the audit recommendations. Defence took the question on notice and at the time of writing (more than two months later), the department has not provided the requested information.¹⁰
- 1.7 The committee notes that the Australian Government's terms of reference for the Defence Estate Audit were not based on the Review's recommendation for audit. The Review recommended an audit of the security and maintenance of foundational infrastructure, investment into the estate (with priority given to northern Australia) but did not recommend a reduction in footprint or divestment of the foundational estate in the more southern, populous parts of Australia. Evidence given during the inquiry aligned with the Review's finding that the foundational estate is critical to capability. As Lieutenant General Kenneth Gillespie (Rtd), former Chief of Army and Vice Chief of the Defence Force, said of the audit's final recommendations:

I don't believe that it was military decision-making. I think it was bureaucratic decision-making based on budget pressures and the ability to try to bring money into the Defence portfolio.¹¹

Referral of the inquiry

- 1.8 On 11 March 2026, the Senate referred an inquiry into the planning, management, utilisation and disposal of Defence estate assets to the Foreign Affairs, Defence and Trade References Committee (the committee) for inquiry and report by 3 June 2026.¹² The Senate subsequently extended the inquiry and the committee presented this interim report on 16 September 2026,¹³ with the final report to be tabled by 25 February 2027.¹⁴
- 1.9 The terms of reference are:
- The planning, management, utilisation and disposal of Defence estate assets, with particular reference to:
- (a) the alignment of Defence estate planning with Australia's defence requirements;
 - (b) the processes for planning and conducting acquisition, management, development, upgrade and disposal of Defence estate assets;

¹⁰ See: *Committee Hansard*, 1 July 2026, pp. 4 and 5–6; Department of Defence, answers to questions on notice, 1 July 2026 (received 4 September 2026).

¹¹ Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 21.

¹² *Journals of the Senate*, No. 38–11 March 2026, p. 1362.

¹³ *Journals of the Senate*, No. 49–14 May 2026, p. 1756.

¹⁴ *Journals of the Senate*, No. 68–10 September 2026, p. 2463.

- (c) how the requirements of the permanent forces, reserve forces and cadet units are captured and incorporated into the planning and management of the Defence estate;
- (d) the financial assumptions underpinning estate divestment, including estimated remediation costs, net return projections, previous Defence property disposal programs and the transfer of responsibility from the Department of Defence to the Department of Finance;
- (e) the heritage significance of Defence estate assets and the adequacy of measures to protect that significance during and following divestment, including the impact on veteran and community connections to sites of military service;
- (f) the Defence estate audit, including its planning, conduct and the potential of the period between its completion and public release to have degraded validity of the audit's findings;
- (g) consideration of an amended policy framework for the use of surplus Defence land that prioritises alternative public uses over private development; and
- (h) any other related matters.¹⁵

Conduct of the inquiry

- 1.10 Details of the inquiry were made available on the committee's website. The committee also contacted organisations and individuals, inviting written submissions by 17 April 2026. The committee continued to accept submissions received after this date.
- 1.11 The committee published 193 submissions, which are listed at Appendix 1, and samples of form letters and campaign emails received for the inquiry (62 form letters; 20 campaign emails).¹⁶
- 1.12 The committee held seven public hearings:
- Canberra on 4 May 2026, 1 July 2026 and 4 September 2026
 - Sydney on 8 May 2026
 - Melbourne on 18 May 2026
 - Queenscliff (Victoria) on 24 August 2026
 - Launceston (Tasmania) on 27 August 2026
- A list of witnesses who gave evidence at the hearings is at Appendix 2.
- 1.13 The committee also visited several Defence sites:
- New South Wales—HMAS *Penguin* (Mosman, Sydney) and Victoria Barracks (Paddington, Sydney)

¹⁵ *Journals of the Senate*, No. 38–11 March 2026, p. 1362.

¹⁶ Note: the sample of form letters is published as *Submission 181*; the sample of campaign emails is published as *Submission 182*.

- Victoria—RAAF Base Williams (Point Cook), Victoria Barracks (Southbank, Melbourne), including the Repatriation Commission Outpatients Clinic, and Fort Queenscliff (Queenscliff)
- Tasmania--Youngtown Barracks, Training Ship Tamar, Paterson Barracks and the Australian Defence Force Cadets Multi-user Depot (all in Launceston).

1.14 Published submissions, *Hansard* transcripts, answers to questions on notice, additional information and tabled documents are available on the committee's website.¹⁷

1.15 In this report, references to the *Committee Hansard* are to the proof transcript. Page numbers may vary between the proof and the official transcript.

Structure of the report

1.16 This report comprises five chapters, as follows:

- Chapter 1 provides an introduction, background and context to the inquiry;
- Chapter 2 examines the Defence Estate Audit, including public consultation;
- Chapter 3 discusses management of the Defence estate, including heritage and environment protections;
- Chapter 4 consider the policy framework for surplus Defence land; and
- Chapter 5 sets out the committee views and recommendations.

Acknowledgements

1.17 The committee thanks the individuals and organisations who participated in this inquiry. The committee also wishes to thank Defence for facilitating the site visits in New South Wales, Victoria and Tasmania.

¹⁷ The committee's website is at: [www.aph.gov.au/Parliamentary Business/Committees/Senate/Foreign Affairs Defence and Trade](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade).

Chapter 2

The Defence Estate Audit

- 2.1 The Defence estate is the Commonwealth's largest land holding. In 2023, the 3.8-million-hectare footprint included 70 major bases, over 72 training ranges and more than 30 000 built structures across Australia.¹
- 2.2 The Defence Estate Audit announced by the Australian Government on 28 August 2023 was tasked with delivering a report on the Defence estate by no later than 31 December 2023 and having regard to six specific matters (the terms of reference). Four of these matters will be examined in this chapter:
- a. prioritising investment in upgrades and development of Australia's northern network of bases, ports and barracks in line with the agreed [Review] recommendations;
 - ...
 - c. the suitability and affordability of Defence's existing holdings, with a particular focus on holdings that are no longer fit-for-purpose and present commercial opportunities;
 - d. the extent to which existing heritage obligations impact the practical use of the estate or the realisation of commercial opportunities;
 - ...
 - f. the agreed [Review] recommendation to baseline the Defence estate and infrastructure, including protective security levels.²
- 2.3 This chapter examines the following matters:
- the conduct and government response to the Defence Estate Audit; and
 - the alignment of the Defence Estate Audit with the Review.³

The Defence Estate Audit

- 2.4 On 28 August 2023, the Defence Ministers announced the appointment of two co-leads for the Defence Estate Audit: Ms Jan Mason and Mr James 'Jim' Miller. The Defence Ministers stated:

The Audit leads bring a wealth of experience and knowledge from the public and private sectors. Mr Jim Miller is currently Chair of the

¹ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 10, www.defence.gov.au/sites/default/files/2026-02/Defence-Estate-Audit-Report-WEB.pdf (accessed 24 April 2026).

² Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 11.

³ Inquiry terms of reference (a) and (f).

Infrastructure Victoria Board and Ms Jan Mason is a former Managing Director of Defence Housing Australia.⁴

- 2.5 To conduct the four months-long audit, Mr Miller and Ms Mason were provided with a range of information by the Department of Defence (Defence), including the Review and utilisation, workforce, critical infrastructure and financial information for specific Defence sites. In addition, Defence facilitated internal consultations with over 50 senior Defence officials and provided a secretariat to support the auditors.⁵
- 2.6 According to the Defence Estate Audit, Ms Mason and Mr Miller undertook 'wide-ranging site visits' and participated in 'extensive internal and external consultations' to develop 'a considered understanding of the history, culture, challenges and opportunities presented by the estate'.⁶
- 2.7 As noted in Chapter 1, the Defence Estate Audit was delivered to the Australian Government on 22 December 2023 and on 4 February 2026, a public version of the audit report was released, together with the government's response to its 20 recommendations.

Conclusions from the audit

- 2.8 The Defence Estate Audit recognised that 'the primary purpose of the Defence estate is to support the preparedness of the [Australian Defence Force (ADF)] to meet Australia's needs'. The audit report then identified factors that, it argued, constrain Defence's ability to posture for the future, for example:
 - iconic and historic Defence sites that are no longer fit-for-purpose;
 - underutilised portions of the Defence estate that drain resources from higher priority needs; and
 - inadequate sustainment budgets that result in critical failures and costly repairs.⁷
- 2.9 The Defence Estate Audit concluded that 'interventions are needed to break the cycle of underinvestment in facilities and align the Defence estate with the recommendations of the [Review]'. The audit report's first recommendation was to reduce the estate:

⁴ The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and The Hon Matt Thistlethwaite MP, Assistant Minister for Defence, 'Independent audit of Defence estate', *Media Release*, 28 August 2023, www.minister.defence.gov.au/media-releases/2023-08-28/independent-audit-defence-estate (accessed 24 April 2026).

⁵ Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 11 May 2026 (received 19 May 2026), [pp. 1–2]. Also see: Department of Defence, answers to spoken questions on notice, 4 May 2026 (received 18 June 2026), [p. 3].

⁶ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 9.

⁷ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 12.

Recommendation 1. Defence reduce its property holdings through focussed divestment of sites at market value in areas not aligned with current or future capability priorities, with proceeds reinvested to the priorities outlined in the Defence Strategic Review.⁸

- 2.10 The Defence Estate Audit identified 68 Defence sites for divestment (Appendix 3), with Defence advising that ‘the sales process for all sites will be commenced by the end of 2027’.⁹ Several of the divestment sites are discussed in the committee’s report (Chapters 2–4).

Australian Government response

- 2.11 In response to the Defence Estate Audit, the Australian Government affirmed its commitment to delivering ‘an Australian Defence Force that is ready, resilient and capable of safeguarding Australia’s interests now and into the future’.¹⁰
- 2.12 The Defence Ministers stated that ‘a critical enabler of this capability is the Defence estate’. The ministers advised that Defence has analysed the findings of the Defence Estate Audit and confirmed that ‘identified properties [are] no longer needed for current or future capabilities’. Accordingly, the Australian Government endorsed ‘a targeted program of consolidation and divestment of properties from Defence’.¹¹
- 2.13 Defence subsequently clarified that the department was directed to divest 67 Defence sites: full divestment of 64 sites, partial divestment of three sites (HMAS *Penguin* (NSW); RAAF Williams Laverton (Victoria); Warradale Barracks (SA)); and retention of Pittwater Dive Annex (NSW).¹²
- 2.14 Ms Celia Perkins, then Acting Associate Secretary at Defence, emphasised that the Review set Defence’s future strategic direction, and the role of the Defence Estate Audit was to analyse the Defence estate and its alignment with that new direction. Ms Perkins noted the audit’s findings, as follows:

...the Defence estate is too big, it is ageing, it is inefficient to maintain and sustain to modern work, health and safety standards and it is not typically in the places where we need those new capabilities to operate. So it has been a very integrated strategic consideration of force posture and future ADF capability and how the totality of the Defence estate can support our future strategic direction ... [T]he judgement of the independent reviewers and

⁸ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 18. Also see: p. 12.

⁹ Ms Celia Perkins Acting Associate Secretary, Defence, *Committee Hansard*, 1 July 2026, p. 2, who also noted that the sales process can and has historically commenced prior to a sited being vacated.

¹⁰ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 2.

¹¹ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 2. Also see: Defence, *Submission 125*, [p. 3]; Defence, answers to written questions on notice (received 26 May 2026) [p. 4], which provided further detail of the department’s analytical process.

¹² Defence, answers to written questions on notice (received 26 May 2026), pp. 2 and 17.

then the consideration of government were that the 67 sites aren't supporting our future capability needs but they are a constant drain on the sustainment budget in the order of ... probably about \$750 million over the next five years.¹³

- 2.15 The committee sought further information from Defence in relation to the government's consideration of the Defence Estate Audit, however, the department was not able to provide the committee with any information that it may have provided to government. Defence also cited concerns about 'sensitive national security information' and potential prejudice to the government's commercial position and interests in any future negotiations relating to the divestment program.¹⁴
- 2.16 The committee heard evidence that the Defence Estate Audit is classified as 'OFFICIAL: Sensitive' and notes that the Minister for Defence has claimed Public Interest Immunity (PII) over this document. The PII claim states that, again, the report contains sensitive national security information that, if made public, would reasonably be expected to cause damage to the security of the Commonwealth by making public Defence capability that is classified. The committee has not formally considered the PII claim, which was made to the Foreign Affairs, Defence and Trade Legislation Committee. However, the committee notes that the statement in the PII claim appears incongruous with a classification of 'OFFICIAL: Sensitive', the lowest security classification within the Protective Security Policy Framework that governs security practice.

Planning and conduct of the Defence Estate Audit

- 2.17 Inquiry participants identified various concerns with the planning and conduct of the Defence Estate Audit. These concerns related to the focus of the audit and the way in which the audit was conducted, including Defence site visits, the selection of sites for divestment, and the lack of transparency and accountability.

Australia's southern posture

- 2.18 In relation to the Defence estate and infrastructure, the Review focussed on 'the immediacy of the most important strategic operational estate and infrastructure considerations in the north of Australia'. The Review expressly cautioned, however, that 'the Government cannot afford to lose sight of the importance of foundational estate and infrastructure for Defence'. Further, an enterprise-wide audit was recommended to 'baseline estate and infrastructure' in contemplation of further investment.¹⁵

¹³ Ms Celia Perkins Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 47.

¹⁴ Defence, answers to written questions on notice (received 18 June 2026), [p. 6].

¹⁵ Australian Government, *National Defence, Defence Strategic Review*, 2023, p. 83, www.defence.gov.au/about/reviews-inquiries/defence-strategic-review (accessed 24 April 2026).

2.19 Submitters and witnesses noted that the Defence Estate Audit terms of reference pay no regard to the Review's caution on the importance of Australia's southern posture and instead, introduce a focus on the 'affordability' of existing holdings and commercial opportunism. In their view, this disregarded Australia's strategic environment and undermines Defence capability.

2.20 Rear Admiral Stephen Gilmore AM CSC (Rtd), former Defence Advocate for Tasmania, noted that he wrote the Tasmanian Government's input into the Review:

I talked about the significance of the Southern Ocean as it relates to the defence of Australia, not at the detriment to the north, the west and the Pacific. That is vital. I get all that. I was advocating a 360-degree look and force posture for the country, noting that, whilst we often refer to the Southern Ocean as our backyard, backyards have back doors and, if I were wanting to do something nefarious with Australia, I'd position myself in the Southern Ocean or do polar orbits of space-based entities.¹⁶

2.21 Dr Peter Collins, a former adviser to the Minister for Foreign Affairs, said:

This crude, un-foreign-policy-like approach—we just send things north, and I watched the defence officials try and explain it—is not based on strategic analysis. Very sharp minded people in Australia, the US and the UK think we are on the wrong path. And we can't explain our strategic intent and posture, so the rationale doesn't work.¹⁷

2.22 Mrs Raelene Lockhorst, Deputy Director of the National Security Program at the Australian Strategic Policy Institute, stated that the Defence Estate Audit does not reflect the urgency of the deteriorating strategic environment:

...the audit is an accounting exercise in which to get some short-term capital investment without thinking about the long-term implications ... The last two [National Defence Strategies] have said that our strategic circumstances are deteriorating at a much faster pace. If we sell off all of our assets, just because it reduces maintenance costs or it makes it easier, if we need to pivot and change for some reason and we don't have those assets, I think we'll be in a world of trouble.¹⁸

2.23 Mrs Lockhorst added that the People's Liberation Army–Navy's circumnavigation of Australia in 2025 should have been a wake-up call for ADF posture:

¹⁶ Rear Admiral Stephen Gilmore AM CSC (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 24.

¹⁷ Dr Peter Collins, private capacity, *Committee Hansard*, 24 August 2026, p. 28.

¹⁸ Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, pp. 25–26. Also see: Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 6, who said 'I see no plan. All I see is accountants with big hands swooping across the map going, 'Oh, we can lose this and this and this'.

It was urgent at the time, but it shows that we are an island nation, that we are vulnerable and that we need to be sure that we have the ADF in positions all around Australia. The northern area is vitally important, but it showed us that ... we can't ignore that to the detriment of the South, particularly what's happening in the Southern Ocean and in Antarctica.¹⁹

2.24 The Royal United Services Institute for Defence and Security Studies–Australia representative, Major General Paul Irving (Rtd), agreed that ‘the Defence Estate Audit does not appear to have given any consideration for future strategic uncertainty or where and how the ADF might be mobilised to meet future potential or actual conflicts’.²⁰

2.25 Mr Mark Johnston, Executive Chairman of the Australian National Veterans Arts Museum, with 15 years’ experience in Defence capability projects, observed:

The [Defence Estate Audit] terms of reference excluded an important part of the Defence Strategic Review, which was the southern basing that is mentioned in passing ... [The audit] did not give it any consideration ... Most of the sites recommended for divestment in the south of Australia are southern basing ... [T]hey have overlooked completely the strategic value in the context of the Defence Strategic Review of why southern basing is important.²¹

2.26 Lieutenant Colonel Phillip Pyke (Rtd) gave evidence that Tasmania is a ‘potential frontline in future conflict’, and he recounted a hybrid grey zone warfare action that occurred within the past fortnight:

This is occurring now. This hybrid grey zone warfare is occurring in the Southern Ocean and the Antarctic. Use will no doubt increase with the Antarctic Treaty up for renegotiation in 2030. It's noted that China and Russia increasingly coordinate their veto positions at the Commission for the Conservation of Antarctic Marine Living Resources right here in Hobart. These are really creating a broader diplomatic and geopolitical stalemate over future governance and environmental protections of the Antarctic. They want to mine down there. They want to do a whole number of things. Grey zone tactics are already being used here. Of course, we're looking at the north. We are looking at Indo-Pacific. It isn't enough that increasing southern pressures in the Antarctic and Southern Ocean can be managed from fleet bases east or west ... [T]here is increasing political pressure ... and we are actually the front line to the south. Tasmania is constantly overlooked

¹⁹ Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 26. Also see: p. 28.

²⁰ Major General Paul Irving (Rtd), RUSI, answers to written questions on notice from Senator Lambie, 28 May 2026 (received 29 May 2026), p. 1.

²¹ Mr Mark Johnston, Executive Chairman, Australian National Veterans Arts Museum, *Committee Hansard*, 18 May 2026, p. 13.

in this regard ... The emerging strategic threat to our southern approaches demands more investment, not less.²²

- 2.27 The Hon Mr Peter Tinley AM, National President of RSL Australia, Australia's largest ex-service organisation, said:

It does appear to me that this is a bureaucratic move in order to demonstrate effectiveness and efficiencies ... Now, these audits have been going on for some time. The Defence estate has often been looked at as being inefficient. But I have seen so many times where these things have come about and then, all of a sudden, we have to purchase more capability.²³

- 2.28 Many submitters and witnesses particularly argued that Defence must maintain Defence sites within metropolitan areas. Several noted that a metropolitan presence is essential to building workforce capacity and social licence (Chapter 3), while Brigadier Kevin O'Brien CSC (Rtd), a former Director General of ADF Recruiting, argued that that presence is also critical to retention:

It's all well and good when you're young to go jumping out of helicopters, to deploy to the field, to go to Puckapunyal and to go to Darwin. But part of retention is that as you get older in your career, as you become a more senior officer and perhaps get married, your children need to go to school and your wife needs to find a job. Those jobs for families are in cities. So we need a series of respite locations to balance an operational force.

The whole northern exposure idea came up in my era. In the nineties, they introduced the Army Presence in the North project, APIN. The idea at the time was that a small battalion group would go to Darwin and populate the north. The Air Force bases would project power, and the Navy bases would project power.

All that is very good and very sensible, but what seems to be happening here is there's a sort of an idea, like a Normandy thing, that we're going to be invaded or something. It's just ludicrous to suggest that Darwin needs to be manned by one-third of the Army. The truth is that the Defence Force needs to have a balanced series of locations ... [I]t's just a really, really dumb idea to close down all city bases. It shows a complete lack of any understanding of being a member of the Defence Force.²⁴

- 2.29 Ms Linda Gosling, Vice President of The Paddington Society, gave evidence on behalf of the local community in relation to Victoria Barracks (Paddington, Sydney). Ms Gosling said:

²² Lieutenant Colonel Phillip Pyke (Rtd), private capacity, *Committee Hansard*, 27 August 2026, pp. 16-17, who added that the degradation of bases in Tasmania is inconsistent with the long-term AUKUS estate requirements. Also see: Colonel Ross Byrne RFD (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 20.

²³ The Hon Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 8 May 2026, p. 18.

²⁴ Brigadier Kevin O'Brien CSC (Rtd), private capacity, *Committee Hansard*, 8 May 2026, p. 21. Also see: p. 23.

The Army divesting itself of the most prestigious military site in Australia and in the most populated area of the country is a huge mistake. There was an assumption about what they call the northern posture, which means that facilities should be in the north of Australia, so suddenly all the southern ones are up for grabs ... They didn't look at the strategic importance of keeping some, especially in the major cities ... Those places are much more than a spreadsheet.²⁵

Site visits and selection

2.30 The Defence Estate Audit advised that Ms Mason and Mr Miller undertook 'wide-ranging site visits', which Defence subsequently estimated at 'more than 70 Defence sites across all states and territories'.²⁶ More precisely, the auditors advised that between them they had visited 72 sites but not all the sites that were ultimately recommended for divestment (such as the rifle ranges).²⁷

2.31 Mr Miller explained that the Defence Estate Audit sought to visit a representative sample of Defence sites, as well as 'a lot of the larger bases'. He gave evidence that the sites visited were 'a combination of sites that we requested to see and sites that departmental officials thought it would be useful for us to see'.²⁸

2.32 The Australian Strategic Policy Institute's representative, Mrs Lockhorst, contended that Mr Miller and Ms Mason should have independently created their own list of sites to visit:

...if you were being independent, you would look at the whole list [of Defence sites] yourself, and you would look at your evaluation criteria and what you're trying to achieve, and then you would come up with a list.²⁹

2.33 Mr Miller advised that he and co-lead Ms Mason formed their own view on the sites for divestment, which were mapped against Defence's strategic sites.³⁰

²⁵ Ms Linda Gosling, Vice President, The Paddington Society, *Committee Hansard*, 8 May 2026, pp. 9 and 14–15.

²⁶ Department of Defence, *Submission 125*, [p. 2].

²⁷ Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, p. 6; Ms Jan Mason and Mr Jim Miller, answers to questions on notice, sent 7 May 2026 (received 19 May 2026), p. 1. Also see: Ms Jane Carnegie, President, Save Westernport, *Committee Hansard*, 24 August 2026, p. 1, who noted that the audit did not comprehensively examine and report on any of the individual sites proposed for divestment (36 being recommended for further investigation); Rear Admiral Stephen Gilmore AM CSC, private capacity, *Committee Hansard*, 27 August 2026, p. 25, who queried whether any of Tasmania's naval cadet facilities had been inspected.

²⁸ Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, p. 6.

²⁹ Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 26.

³⁰ Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, p. 11.

Ms Mason added that ‘we found that we were not going to be selling off any sites that Defence had identified as strategically important, either currently or in their expected future’.³¹

- 2.34 In evidence, Ms Perkins stated that Defence did not give the Defence Estate Audit a list of sites for consideration. She maintained that Defence had no ‘fixed sense’ of Defence sites for the audit to review; however, ‘a reasonable proportion of the sites that made the recommended 68 were sites already listed for divestment or, frankly, vacant’. Ms Perkins emphasised:

The divestments proposed by the independent audit were the recommendations of the independent audit ... We didn't give them any directions not to touch or touch anything.³²

- 2.35 At a public hearing, Ms Mason and Mr Miller asserted that they had ‘no material conflicts’ of interest when the Defence Estate Audit was conducted. At the time of giving evidence, both witnesses had one or more contracts with Defence.³³
- 2.36 The committee heard further evidence from Ms Mason and Mr Miller that they had multiple personal meetings with the Minister for Defence during the timeline of producing and delivering the audit report.³⁴ The committee requested the production of all documentation attesting that there are no conflicts of interest and that real or perceived conflicts of interest have been managed. Defence, Ms Mason and Mr Miller did not provide the requested documents.³⁵
- 2.37 The committee was advised by Ms Mason and Mr Miller that they do not possess the qualifications to complete a financial audit. This, in conjunction with their evidence that they do not have Defence or national security expertise, was examined by the committee.
- 2.38 The committee considers the claim that the audit was independent is contested and unsupported. The witnesses also confirmed it was not an ‘accounting audit’, nor informed by their own military background.³⁶

³¹ Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 12.

³² Ms Celia Perkins Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 53. Also see: Defence, answers to written questions on notice, (received 26 May 2026) [p. 12].

³³ Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, pp. 4–6 and 8–9. Also see: Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 7 May 2026 (received 19 May 2026), [p. 1]. Note: Mr Miller is contracted to the Naval Shipbuilding Expert Advisory Panel (contract expiring: February 2027; contract value: \$315 000).

³⁴ Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 7 May 2026 (received 19 May 2026), [p. 2].

³⁵ Defence, answers to written questions on notice (received 26 May 2026) [p. 14].

³⁶ Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, pp. 2–3 and 4.

Underutilised and surplus land

- 2.39 A wide range of submitters and witnesses contended that the Defence Estate Audit misidentified specific Defence sites as ‘underutilised’ or ‘surplus land’ and proceeded to recommend the full or partial divestment of these sites. They argued that the sites continue to have strategic value and their divestment would affect Defence capability.
- 2.40 RSL Australia emphasised that ‘short term financial pressures’ should not determine strategic Defence needs; ‘the national security and defence landscapes have significantly changed since the [Defence Estate Audit] was delivered to the Government in 2023’. It submitted that ‘the primary question to be asked before any divestment proceeds is whether Australia still needs each site for defence purposes, now or in the future’.³⁷
- 2.41 Illustrating this point, Mr David Chaplin, a Wing Commander in the RAAF Reserve, referenced RAAF Williams (Point Cook) as an operational airfield with ongoing strategic importance:

RAAF Point Cook is the only Defence airfield in the Melbourne basin that boasts air, land and sea access, and which can be easily secured and utilised for any strategic purpose ... [I]ts proximity to key Melbourne and Geelong CBD and industrial facilities could become vitally important during any regional threat response ... Australia should retain any existing and expensive Defence infrastructure that can be modified or adapted and brought quickly into use for national strategic or military needs. The established airbase infrastructure and excellent runways at Point Cook are such an asset ... [S]hould the sale of the Point Cook runway proceed, Melbourne would become the only capital city in the country without a strategically important and capable military airbase in close proximity.³⁸

- 2.42 Similarly, Lieutenant General Kenneth Gillespie (Rtd), former Chief of Army and Vice Chief of the Defence Force, referenced Victoria Barracks (Sydney), informing the committee that ‘there are major strategic implications of losing the barracks’, which have not been considered:

...this is an economic exercise rather than thinking through strategically about, in this case, Victoria Barracks, a base that has a very significant historical and heritage value ... [F]or many years Victoria Barracks has been at the heart of our planned domestic response activities for terrorism and security issues in the heart of the Sydney CBD and along the harbour. The divestment of the barracks does nothing to address how we would handle that very important issue going forward. We're looking to divest the land, but we haven't yet understood the implications of the loss of that

³⁷ RSL Australia, *Submission 36*, p. 5. Also see: Australian Strategic Policy Institute, *Submission 13*, p. 5, which noted that, with the release of the 2026 National Defence Strategy, the strategic framework upon which the Defence Estate Audit was based is already evolving.

³⁸ Mr David Chaplin, *Submission 57*, [p. 1]. Also see: Mr David Chaplin, private capacity, *Committee Hansard*, 18 May 2026, p. 3; Aviation Historical Society of Australia, answers to questions on notice, 21 May 2026 (received 4 June 2026), [p. 6].

land—hopefully never needed but likely to be needed in the current environment—as a mounting point for security operations and the protection of the citizens of Sydney in that space.³⁹

- 2.43 The Royal Australian Armoured Corps Association (NSW) (RAAC) referenced the Lancer Barracks (Parramatta), arguing that this Defence site actively functions for a range of military and non-military purposes:

Lancer Barracks is not surplus land. It is a functioning Defence asset supporting 100-150 Reservists 100-150 Cadets, a Sydney University Regiment detachment, the Parramatta Defence Recruiting Office, and the Royal NSW Lancers Museum & Association, a nationally significant RAAC heritage institution ... [Further], Lancer Barracks has repeatedly served as a reception, staging and operating location for: Bushfire and flood response; COVID-19 operations; Counter-terrorism training; Police emergency accommodation; Sydney 2000 Olympic Games security.⁴⁰

- 2.44 In relation to workforce capability, RSL Australia accepted the changing character of warfare, as explicitly recognised in the National Defence strategy, but argued that ‘requirements for traditional services will continue, as will the need for fundamental training for those forces’. Its submission highlighted that many of the proposed divestment sites are in active use by cadet and reserve units, veterans’ organisations and community groups:

The Report may not have fully recognised the extent of the use of some of the [sites] recommended for divestment. For example, the auditors stated their belief that Reserve units’ regular (Tuesday evening) parade nights had been replaced with two-week block training four times a year. That is not correct, as almost all Reserve units still train one evening a week, one weekend a month and one longer block each year.⁴¹

- 2.45 Multiple participants in the inquiry—including active users of Defence sites that the Australian Government has agreed to divest—agreed that the sites should not have been considered ‘underutilised’. In relation to cadet and reserve units, for example, Brigadier Phillip Bridie AM, Executive Member of the Royal Australian Armoured Corp Association, advised that the auditors visited

³⁹ Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 21.

⁴⁰ Royal Australian Armoured Corps Association (NSW), *Submission 15*, pp. 1 and 4–5. Also see: NSW Lancers Association and NSW Lancers Memorial Museum, *Submission 5*, pp. 2–4; Navy League of Australia, *Submission 20*, p. 9; Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 22, who highlighted that the Victoria Barracks (Sydney) parade grounds is used to mount operations, including civilian emergency flights for St. Vincent’s Hospital.

⁴¹ RSL Australia, *Submission 36*, p. 6. Also see: p. 5. Note: the Defence Reserves Association and Legacy Australia endorsed the submission by RSL Australia.

the Lancer Barracks (Parramatta, Sydney) but not at a time when the site was at its busiest (the normal parading night, Tuesday, or on weekends).⁴²

2.46 Continuing this theme, the Australian Cadet Corps submitted:

The audit identifies underutilisation of cadet and reserve facilities as a key justification for consolidation and divestment. This interpretation fails to properly account for the nature of cadets and reserve services. These units operate primarily outside standard hours, including evenings and weekends, and are designed to be community-based and locally accessible. Measuring utilisation purely in terms of occupancy is therefore misleading.⁴³

2.47 Submitters and witnesses agreed that the location and accessibility of cadet and reserve units' training facilities are critical factors in recruitment and retention (Chapter 3). Mr Chaplin said that RAAF Base Point Cook is a very strong base for cadet flying, including the Hearts and Minds program that develops and inspires cadets. He considered that the proximity to Melbourne and Geelong facilitates participation for both cadets and the volunteer staff:

...cadets need to travel from their home school, home base or their squadrons to the location ... For the Melbourne basin, they normally travel from the bay, partake in the activities and then travel home ... It's the same with our volunteer staff ... If the activity were to be permanently homed somewhere else, I think you would lose that cohesion. The distance of travel would become a problem for gaining volunteer staff ... Also, cadet transport may be an issue.⁴⁴

2.48 In another example, Brigadier O'Brien stated that Defence needs rifle ranges within a reasonable distance of training units:

The idea of shifting the Defence Force remotely and closing anything close to the city down ... [T]hat's the essence of the problem here. There's no doubt that some of these places they've identified aren't used and aren't required ... but I think there must be a series of high priority units built on locations in the key capital cities that are required. The more outlying places like Tasmania, which is very much a reserve troops area, clearly need ranges. What is the cost of maintaining a range other than having a fence?⁴⁵

⁴² Brigadier Phillip Bridie AM, Executive Member, Royal Australian Armoured Corps Association, *Committee Hansard*, 4 May 2026, pp. 32–33.

⁴³ Australian Cadet Corps, *Submission 17*, [p. 2].

⁴⁴ Mr David Chaplin, private capacity, *Committee Hansard*, 18 May 2026, p. 4.

⁴⁵ Brigadier Kevin O'Brien CSC (Rtd), private capacity, *Committee Hansard*, 8 May 2026, p. 22. Also see: Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 27, who said that the loss of the Karratha/Dampier Rifle Range (WA) (1500 km from Perth) will be 'extreme'.

- 2.49 Major Peter Williams, Northern Director for RSL Tasmania, confirmed that the divestment of rifle ranges for military training is a critical concern:

...we're not talking a typical rifle range, where you've got a butt out about 500 metres. There are all sorts of different shooting activities that the soldiers have to do, from basic rifle drills right through to using all sorts of weapons. Hand grenades have a different range. Anti-armour has a different range. Machine guns have a different range. All these ranges have different requirements to be operated, and there are very few areas in the state that can have them. There are already two purpose-built ranges in Buckland and Stony Head. The beauty of these ranges – what they have to do is build their own ranges to meet a specific requirement in their training, so it's a certain type of battle shooting that they do. The units down here do it quite a lot. Those ranges are not there; they actually build them for the activity. To do that, you need an area.⁴⁶

- 2.50 According to Ms Mason, the Defence Estate Audit did not focus on the utilisation of various Defence sites, although the audit did rely upon some data provided by Defence. She invited the inquiry to test figures with the department but reiterated:

...the fact that we've recommended particular sites for sale doesn't mean they haven't been used. What we're looking at, rather, is whether they're key to either current or future capability. The other issue that we considered was whether the activities that were currently undertaken at some of those sites could be undertaken elsewhere on the Defence estate.⁴⁷

- 2.51 At its Sydney and Melbourne site visits, the committee heard that the Victoria Barracks are occupied by more than 750 and 150 ADF staff, respectively. In contrast, the Defence Estate Audit reported approximately 450–500 predominantly Army and Reserves and 1350–1400 predominantly public servants, respectively, occupied those sites.⁴⁸
- 2.52 Colonel Andrew Kirby, President of Queensland's Royal United Services Institute for Defence and Security Studies (RUSI Queensland), reflected on the situation with respect to Victoria Barracks (Brisbane). He said:

...there has been a long-term narrative that Victoria Barracks Brisbane was not going to be held forever. Divestment has been talked about on a number of occasions, and that has then been the basis or the rationale for denying people office space, desk space and the opportunity to use it. So it has become a self-fulfilling prophecy: if for 20 years you do not allow people to

⁴⁶ Major Peter Williams, Northern Director, RSL Tasmania, *Committee Hansard*, 27 August 2026, pp. 5-6. Also see: Lieutenant Colonel Phillip Pyke (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 17.

⁴⁷ Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 7.

⁴⁸ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, pp. 104 and 111.

utilise the space, then, when you do an audit and say, 'Well, nobody's utilising this space', you've kind of created a self-fulfilling argument.⁴⁹

- 2.53 To further explore the validity of data provided to the Defence Estate Audit, the committee referenced advice on Defence's website that there are 10–50 ADF personnel at the Burnie Training Depot, and asked Defence to verify this number.⁵⁰ The department responded that the number is presented 'as a banded range to describe the scale of change in a consistent manner'; there are in fact fewer than five personnel onsite.⁵¹
- 2.54 Chapter 3 discusses inquiry participants' concerns that Recommendation 1 of the Defence Estate Audit failed to take into account other legitimate considerations for the Defence estate and its infrastructure.

Transparency and accountability

- 2.55 According to the Defence Estate Audit, the auditors participated in 'extensive internal and external consultations' to develop 'a considered understanding of the history, culture, challenges and opportunities presented by the estate'.
- 2.56 Focussing on the external consultations, Mr Miller and Ms Mason identified five government departments and 10 non-government organisations that were consulted as part of the audit. They advised that there was no call for submissions and the audit did not undertake public consultations.⁵²
- 2.57 Overwhelmingly, submitters and witnesses described the Defence Estate Audit and the Australian Government's consideration of the audit recommendations as exclusive processes, where most non-government organisations and individuals were not consulted at the outset but briefed after the event, even in circumstances where the decision-making would have direct and material impacts.⁵³

⁴⁹ Colonel Andrew Kirby, President, RUSI (Queensland), *Committee Hansard*, 4 May 2026, p. 25.

⁵⁰ See: 'Burnie Training Depot', www.defence.gov.au/about/locations-property/delivering-future-estate/burnie-training-depot (accessed 22 July 2026).

⁵¹ Defence, answers to questions on notice, 4 May 2026 (received 21 May 2026), [p. 2].

⁵² Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, pp. 13–14; Ms Jan Mason and Mr Jim Miller, answers to questions on notice, 7 May 2026 (received 19 May 2026), p. 2. Note: the Defence Estate Audit did receive some submissions that were considered.

⁵³ See, for example: Royal Australian Armoured Corps Association (NSW), *Submission 15*, p. 5; Navy League of Australia, *Submission 20*, pp. 2 and 3; Major General Paul Irving AM PSM RFD (Rtd), President, Royal United Services Institute for Defence and Security Studies–Australia, *Committee Hansard*, 4 May 2026, p. 22; Ms Janet Carding, Executive Director, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 7; Ms Lisa Heinrichs, President, Werribee District Historical Society, *Committee Hansard*, 18 May 2026, p. 20.

- 2.58 At the 4 May 2026 public hearing, the Hon Mr Tinley advised that ‘the audit was always kept quite secret for reasons of the obvious profile and the attention that it would bring’. He indicated that, until quite recently, there had been no formal contact with the veteran community (RSL Australia).⁵⁴
- 2.59 The National Trust of Australia (NSW) advised that ‘we were never at any stage consulted on [the suggestion to divest Victoria Barracks (Sydney)]’. Further, ‘it has been reported that not even the NSW Government [was] informed in advance of this proposal’.⁵⁵
- 2.60 Rear Admiral Gilmore advised the committee:
- I understand that I was quoted by the deputy secretary at Senate estimates as the Tasmanian point of contact within government. I suppose I was, if one Teams meeting where the terms of reference were relayed to me and the intent to come and visit Tasmania was discussed—that was the full extent of the consultation with the Tasmanian government, apparently.⁵⁶
- 2.61 The Tasmanian Government agreed that there had been a lack of consultation, and the state government and Tasmanians were therefore ‘surprised’ and concerned by the scale and potential impacts of the announced changes:
- Since the divestment announcement, significant concern has been expressed to the Tasmanian Government by our stakeholders, including Tasmanian industry sectors, Aboriginal, regional, and veterans’ communities, and within security services, that the divestment program represents a withdrawal from Tasmania by Defence. The lack of consultation with the Tasmanian Government, combined with the decision to withdraw significant Defence capability from Tasmania, has resulted in Defence choosing sites that have constraints on their resale as well as posing significant impacts to Tasmania’s security, regional economies, and communities.⁵⁷
- 2.62 Local governments also submitted to the inquiry and emphasised the need for genuine engagement with their communities. The Rt Hon Clover Moore, Lord Mayor of the City of Sydney, advised that the council had consulted its

⁵⁴ The Hon Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, p. 19.

⁵⁵ National Trust of Australia (NSW), *Submission 24*, p. 2, which added that other National Trusts and their peak body—the Australian Council of National Trusts—were likewise not informed of proposal affecting heritage sites within their jurisdictions.

⁵⁶ Rear Admiral Stephen Gilmore AM CSC (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p 24.

⁵⁷ Tasmanian Government, *Submission 130*, [p. 2]. Also see: Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 27, who found it unusual that a decision to divest a Defence site would be made without first consulting to fully understanding the costs and impacts of that decision; Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 3, who said that capability planning has not been considered in detail.

community on the future of Victoria Barracks (Sydney) and received a high level of interest in the site (over 1000 pieces of feedback):

The community feedback prioritised a publicly accessible place that celebrates its military heritage, provides open space, community and cultural uses, and supports Sydney's housing needs. Consensus showed that heritage conservation must be the foundation of any future use of the site. Responses consistently emphasised that Victoria Barracks represents irreplaceable colonial and military history that must be conserved. Following consultation, Council endorsed the Victoria Barracks Guiding Principles, which prioritise the conservation and enhancement of the heritage and military significance of the site ... The City of Sydney's position is that Victoria Barracks is not sold unless the future use of the site is in accordance with the City of Sydney's Guiding Principles.⁵⁸

Figure 2.1 Victoria Barracks, Sydney, New South Wales



Source: committee secretariat

2.63 Similarly, the City of Melbourne stated that the three Defence sites in its local government area (Victoria Barracks (Melbourne), the Repatriation Commission Outpatient Clinic, and the Carlton Training Depot) are among Australia's most historically significant Defence places:

A heritage and community-led approach must be prioritised when considering the future of the [Victoria Barracks (Melbourne)] site, including the ongoing protection of stories, broader strategic connections and linkages to other historic parts of the city.

The City is concerned that current Defence estate disposal processes prioritise sale before planning and public interest considerations are resolved. For complex inner urban sites, early collaboration between governments and clear guiding principles prior to divestment are essential.

⁵⁸ The Rt Hon Clover Moore, Lord Mayor of the City of Sydney, *Submission 129*, [p. 2]. Also see: Woollahra Municipal Council, *Submission 128*, pp. 1 and 3; Resolution dated 23 February 2026, pp. 4–5.

The City urges careful consideration of large inner-city sites with high heritage value and strategic importance to ensure decisions deliver long-term civic and community benefit. We strongly advocate that any terms of sale or consideration of planning controls enable the divested land to be used for public open space and Council's other priority uses.⁵⁹

- 2.64 Federal and state parliamentarians also submitted to the inquiry, drawing to the committee's attention that their constituents strongly oppose the decision to divest Defence sites in their areas, including for commercial purposes.⁶⁰
- 2.65 While many representative bodies and individuals freely expressed their views on the Defence Estate Audit and the Australian Government's policy to divest sites within the Defence estate, Lieutenant General Gillespie (Rtd) told the inquiry:

...quite clearly people inside the ADF at the present time are being hamstrung in being able to say anything about this. I have had a lot of people reach out to me saying, 'Thank you for speaking on our behalf'.⁶¹

Consultations after 4 February 2026

- 2.66 After the Australian Government announced its response to the Defence Estate Audit on 4 February 2026, it commenced what it regarded as 'consultations', although that has been largely contested by stakeholders and community members relevant to the nation-wide sale. Afterwards, Defence submitted that the department has adopted a structured, consultative and staged approach to progress and implement the audit recommendations.⁶²
- 2.67 Mr Peter West, First Assistant Secretary of Estate Transformation at Defence, advised that, in addition to extensive internal consultation, including reserve and cadet units, the department is undertaking community consultation.⁶³ Defence described the role of this consultation, as follows:

Community consultation sessions are critical in providing clear information on the Audit and outline how the recommendations may affect individual

⁵⁹ City of Melbourne, *Submission 127*, [p. 2]. Also see: [p. 4], which sets out the primary priorities for the City of Melbourne for the three Defence sites.

⁶⁰ See: Ms Zali Steggall MP (Federal Member for Warringah), *Submission 61*, p. 1; Ms Allegra Spender MP (Federal Member for Wentworth), *Submission 80*, pp. 1–2; Ms Felicity Wilson MP (NSW Member for North Shore), *Submission 135*, p. 1.

⁶¹ Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 23. Also see: Mr Len Koles, President, Royal New South Wales Lancers Memorial Museum, *Committee Hansard*, 4 May 2026, p. 36, who stated that 'soldiers following orders will not get involved with contradicting government policy, but it does create a great deal of tension within serving ranks'.

⁶² Defence, *Submission 125*, [p. 3].

⁶³ Mr Peter West, First Assistant Secretary, Estate Transformation, Defence, *Committee Hansard*, 4 May 2026, p. 48.

regions. The ongoing consultations are designed to support transparency, enable community understanding of the process, and provide an opportunity for stakeholders to raise questions, concerns and feedback about the divestment planning and implementation.⁶⁴

- 2.68 However, stakeholders and communities did not regard these sessions as genuinely consultative, but rather information sessions, as evidenced by the Assistant Minister for Defence informing communities that the decision to divest had already been made.⁶⁵ These information sessions occurred while the committee was undertaking its inquiry.⁶⁶ At the Sydney public hearing, Ms Gosling from The Paddington Society noted that the Victoria Barracks (Sydney) session was held the previous day (7 May 2026) and was 'very heated':

...there was a lot of anger. Part of that anger is because it seems like it's already decided. The Defence people said that they're in this stage where they consult the community and do their due diligence, like the heritage plans et cetera. But, from reading the report and the announcements by government, they've decided, so it's not real consultation.⁶⁷

- 2.69 Lieutenant General Gillespie (Rtd) also attended the 'consultation process' at Victoria Barracks (Sydney). He said:

Interestingly, in that consultation process I thought we were having input, but it was really a reputation process whereby it didn't really matter what our views were; the decision had been made that Victoria Barracks was to be divested from the Defence estate portfolio ... I was struck by detailed questions being asked of the Defence and Finance bureaucrats who were supporting that meeting. Every time there was a difficult question, the response was, 'We haven't really thought through that issue yet'. This says to me that it was a briefing and a thought bubble where the implications of some of what they intend doing had just not been thought through ... I don't believe that it was military decision-making. I think it was bureaucratic decision-making based on budget pressures and the ability to try to bring money into the Defence portfolio.⁶⁸

- 2.70 Captain David Field, representing the 203 Army Cadet Unit based at Lancer Barracks (Parramatta), attended that community consultation

⁶⁴ Defence, *Submission 125*, [p. 4].

⁶⁵ See, for example: Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 2.

⁶⁶ Australian Government, Defence, 'Defence Estate Audit community information sessions', www.defence.gov.au/about/locations-property/delivering-future-estate/defence-estate-audit-community-information-sessions (accessed 11 May 2026).

⁶⁷ Ms Linda Gosling, Vice President, The Paddington Society, *Committee Hansard*, 8 May 2026, p. 11. Also see: Captain David Field, 203 Army Cadet Unit, Lancer Barracks, *Committee Hansard*, 8 May 2026, p. 17.

⁶⁸ Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 21. Also see: Colonel Ross Byrne RFD (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 19.

session (6 May 2026). He agreed that there had been a dearth of ‘meaningful dialogue’ and he noted that the session was not held within the affected community: ‘it was held in Lidcombe’ (a 20-minute drive from Parramatta in peak hour).⁶⁹

- 2.71 Ms Jane Carnegie from Save Westernport remarked on the community consultation session that took place at Crib Point (Victoria) on 10 June 2026. Ms Carnegie noted that there was a large turnout at the session (350–400 people) but there was little information provided by Defence on the partial divestment of HMAS *Cerberus* (Victoria):

The road map for divestment, which was provided to people as an A3 sheet at our consultation, provides a really clear indication of what the outcome of this whole process is, and it is commercial sale. It left no room for any other outcome ... Finance and Defence representatives put out a lot of glossy publications people could pick up on the way in, but they never talked to these points. They basically had no presentation about the process and then they just opened it up for questions from our community. People really were expecting far more than that from the consultation process.⁷⁰

- 2.72 RSL Australia stated that the Australian Government must engage in genuine public consultation:⁷¹

Defence estates hold more than just monetary value to the Australian community that owns and uses those properties. The processes for planning, acquiring, managing, developing, upgrading and disposing of Defence estate assets must include broad, respectful and responsive public consultation. Government consultations should not be limited, as are currently under way, to informing implementation of divestment decisions already made ... Obligations to sites of service heritage are legitimate and the community—including the veteran community—have a valid and recognised interest in how those sites are treated. That interest should be respected and reflected in the divestment decision process.⁷²

- 2.73 Some inquiry participants added that community consultation should precede any final divestment decisions. Colonel Kirby from RUSI Queensland said, for example:

...there is significant community interest in, and I would say social equity in, a lot of the facilities—not all of them, but certainly some of them—and it would be prudent to engage the public a little further before final decisions

⁶⁹ Captain David Field, 203 Army Cadet Unit, Lancer Barracks, *Committee Hansard*, 8 May 2026, pp. 17 and 19.

⁷⁰ Ms Jane Carnegie, President, Save Westernport, *Committee Hansard*, 24 August 2026, pp. 2–3. Also see: pp. 4–5.

⁷¹ RSL Australia, *Submission 36*, p. 4. Also see: Attachments 1–7, pp. 12–23, for divestments contested by state/territory RSL Branches.

⁷² RSL Australia, *Submission 36*, p. 6. Also see: p. 4 and Attachments 1–7, pp. 12–23, for divestments contested by state/territory RSL Branches.

are made on some sites that are, in the case of [Victoria Barracks (Brisbane)], more than 150 years old. Once they're gone, we're not getting them back.⁷³

Departmental response

2.74 Defence submitted that an Audit Response Team was established to analyse the findings of the Defence Estate Audit and to assess potential impacts on personnel, capability and affected communities:

Defence analysed each of the proposed divestment locations for overall impact of divestment against six criteria: ADF capability; personnel; social licence; commercial; future proofing; and complexity. The analysis also considered Defence's broader social licence obligations, including veteran connections, youth engagement programs (such as cadets), stewardship of estate assets, environmental and heritage responsibilities, contamination remediation, and impacts on state and territory agencies. The analysis and departmental advice were considered and endorsed by the Defence Committee, which is the most senior Executive Committee within Defence.⁷⁴

2.75 Ms Perkins advised that it was 'a decision of government' for the Australian community to be consulted after 4 February 2026.⁷⁵ Defence then undertook 'a really extensive period of outreach ... with interested parties, veterans' groups and those tenants and residents on our bases'. Mr West added that, after '[letting] them know the outcomes of the audit', the department subsequently followed up, or are following up, with the people concerned.⁷⁶

2.76 Expanding on Mr West's evidence concerning community consultation sessions, Ms Perkins made clear the Australian Government's position on the value of these sessions:

[The Defence Ministers] message has been very clear that this is an important way for community to register with us their interest, their concerns and their thoughts on how sites might be used. We are capturing feedback in those sessions. We have a feedback process, and we continue to invite community to engage with us on the future of sites.⁷⁷

2.77 The Department of Finance (Finance), which is responsible for the divestment program (Chapters 3 and 4), confirmed that it would be considering feedback

⁷³ Colonel Andrew Kirby, President, Royal United Services Institute for Defence and Security Studies (Queensland), *Committee Hansard*, 4 May 2026, p. 23.

⁷⁴ Defence, *Submission 125*, [p. 3].

⁷⁵ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 1 July 2026, p. 11. Also see: p. 12, where Ms Perkins added that this approach was always intended.

⁷⁶ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 48; Mr Peter West, First Assistant Secretary, Estate Transformation, Defence, *Committee Hansard*, 4 May 2026, p. 48. Also see: Defence, answers to written questions on notice, (received 26 May 2026) [p. 18].

⁷⁷ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 48.

from the community consultation sessions, together with due diligence matters. Its officers are involved in the sessions to ‘support discussions about how surplus Defence land can best deliver benefits for surrounding communities, reaffirm protections for history and heritage ... and capture a broad range of views from the community’.⁷⁸

- 2.78 The committee requested Defence to provide its methodology for collecting feedback from the community consultation sessions. Defence did not provide this information.⁷⁹ Later evidence from witnesses, including from Defence, demonstrated significant under-consultation: at least one person identified as a consulting partner was never consulted,⁸⁰ and significant organisations—such as RSL Australia—were frustrated and angry that they had not been consulted at all.⁸¹ At the final hearing, for example, Ms Perkins confirmed that the NSW Police—which uses the site for operations—had not been consulted on the sale of Lancer Barracks (Parramatta, Sydney).⁸²
- 2.79 Defence representative Ms Perkins responded to concerns raised about the Australian Government’s decision to divest 67 Defence sites, stating simply that ‘the government has made that decision’.⁸³ As noted earlier in this chapter, Defence did not recommend to the government that the sites within the Defence estate be divested.⁸⁴

Alignment with the Review

- 2.80 According to the Australian Strategic Policy Institute, the Defence estate is evolving towards an integrated system that supports deterrence, resilience and sustained operations, as recommended in the Review. However, its submission argued that there is no clear and consolidated view of the entire system due to inadequate governance arrangements and public reporting mechanisms:

Estate investment is increasingly distributed across Defence, the Australian Submarine Agency and emerging delivery structures, while budget and performance reporting remain fragmented ... While the direction of investment suggests improving alignment, public reporting

⁷⁸ Department of Finance (Finance), *Submission 38*, [p. 4]; Finance, answers to written questions on notice, (received 26 May 2026), [p. 3].

⁷⁹ Defence, answers to written questions on notice (received 28 July 2026), [p. 4].

⁸⁰ Rear Admiral Stephen Gilmore AM CSC (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p 24.

⁸¹ The Hon Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, p. 19.

⁸² Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 September 2026, p. 9.

⁸³ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 62.

⁸⁴ Ms Celia Perkins Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 53. Also see: Defence, answers to written questions on notice, (received 26 May 2026) [p. 12].

remains too fragmented to determine with confidence whether the Defence estate as a whole is aligned with Australia's defence requirements.

Visible investment in a small number of priority programs does not by itself demonstrate system-wide alignment across logistics, workforce, sustainment, training, fuel, base services and long-term estate resilience.⁸⁵

- 2.81 At the Sydney public hearing, Mrs Lockhorst from the Australian Strategic Policy Institute emphasised:

The central point is this: the Defence estate is not a property portfolio; it's strategic infrastructure. It underpins force generation, sustainment, workforce distribution and operational readiness. In a more congested strategic environment, estate decisions should be treated as capability decisions.⁸⁶

- 2.82 While the Defence Estate Audit correctly identified Defence estate inefficiencies and long-term maintenance pressures, Mrs Lockhorst asserted:

...the audit should be understood as the beginning of the reform and not the end of analysis, and not the basis for final divestment decisions. The real issue is not just what to sell but how the estate was allowed to deteriorate to the point where maintenance costs now justify disposal, and whether divestment is being used to mask rather than correct systemic underinvestment or mismanagement.⁸⁷

Alignment with training and workforce requirements

- 2.83 The Review set out six immediate actions to reprioritise Defence's capabilities in line with the review recommendations. One action was to improve the ADF's ability to operate from Australia's northern bases, which was a key focus for the Defence Estate Audit, including Recommendation 1. Another action was to invest in the growth and retention of a highly skilled Defence workforce.
- 2.84 Participants in the inquiry contended that Recommendation 1 of the Defence Estate Audit demonstrates a lack of alignment with the Review's Defence workforce action. They argued that the divestment of specific Defence sites would affect retention and recruitment for cadet and reserve units, which play a critical role in ADF recruitment. On their view, the audit and Defence have not properly considered or accounted for this Defence capability.
- 2.85 The Australian Strategic Policy Institute explained that workforce patterns have not shifted to align with the National Defence strategy (that is, an integrated, focused force that prioritises Australia's northern approaches).

⁸⁵ Australian Strategic Policy Institute, *Submission 13*, p. 4.

⁸⁶ Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 25. Also see: Australian Strategic Policy Institute, answer to spoken question on notice, 5 May 2026 (received 15 May 2026).

⁸⁷ Mrs Raelene Lockhorst, Deputy Director, National Security Program, Australian Strategic Policy Institute, *Committee Hansard*, 8 May 2026, p. 25.

Consequently, Defence estate planning cannot be assessed solely on rationalisation or cost efficiency; it must also be assessed on whether planning supports the distribution, accessibility and sustainment of the workforce required to deliver the strategy:

[The] Defence Estate Audit acknowledges Reserve and cadet requirements, particularly in relation to ageing infrastructure, duplication and underutilisation. However, these are treated predominantly as estate management challenges rather than as core inputs to force generation and mobilisation depth. Facilities that enable Reserve participation and cadet engagement are not simply legacy assets - they underpin recruitment pipelines, local presence and surge capacity. Decisions to consolidate or divest such sites, if not carefully aligned to workforce needs, risk eroding accessibility, retention and community connection.⁸⁸

- 2.86 Similarly, RSL Australia submitted that facilities must be local and accessible, as many people will not travel to a site that is distant or poorly served by public transport. It argued that attendance and participation would wane, leading to smaller unit numbers and a weaker reserve and cadet pipeline over time.⁸⁹
- 2.87 RSL Australia further submitted that recruitment also depends on community visibility and local presence, a view shared by Brigadier O'Brien who emphasised that the Australian recruiting base is and must remain in population centres (capital cities and major regional towns):

It is these bases in population centres that facilitate Defence public relations, recruiting activities (such as medical testing), museums, open days, parades, and salutes. These public interaction activities are critical to recruiting a vibrant and sustainable defence force. A less obvious but essential purpose of defence bases relates to our military forces being (or seen as being) a part of the community. For our healthy democracy a proportion of military bases need to operate in major population centres. ADF members are seen to be 'one of us' ... There is plenty of evidence that separating the defence force from the community will have a detrimental effect on the nation. Without bases in the capital cities, the ADF will become invisible, and it is very likely that no one will join.⁹⁰

- 2.88 Major General Irving concurred with the views of RSL Australia, noting that, in respect of cadet and reserve units, the Defence Estate Audit also did not align with the 2024 Strategic Review of the Australian Defence Force Reserves:

⁸⁸ Australian Strategic Policy Institute, *Submission 13*, p. 5.

⁸⁹ RSL Australia, *Submission 36*, p. 7. Also see, for example: Royal Australian Armoured Corps Association (NSW), *Submission 15*, pp. 2–3; 203 Army Cadet Unit, Lancer Barracks, *Submission 37*, pp. 2–3; Colonel Ross Byrne RFD (Rtd), *Submission 49*, p. 22.

⁹⁰ Brigadier Kevin O'Brien CSC (Rtd), *Submission 124*, [pp. 1–2]. Also see: RSL Australia, *Submission 36*, p. 7; Colonel Andrew Kirby, President, Royal United Services Institute for Defence and Security Studies (Queensland), *Committee Hansard*, 4 May 2026, p. 22, who argued that visibility also underpins social licence.

The recommendations of the Defence Estate Audit in relation to the disposal of depots used by ADF Cadets and/or ADF Reservists will, ironically, serve to undermine recommendation 1 of the Strategic Review of the Australian Defence Force Reserves ... to improve reserve recruitment outcomes.

Reservists and Cadets mostly join a local unit. Because of the lack of consultation by the Defence Estate Audit team, the Audit appeared to have had no understanding of the need for a “recruit catchment area” for Reserve units. That is, there must be a significant sized population area to enable the Reserve unit to recruit sufficient people to sustain and grow the unit.

Likewise, the Defence Estate Audit team appears not to understand that ADF Cadets normally travel to their unit via public transport where available or are driven to their unit by their parents/carers...

In nearly every case that I am aware of over the past 50 years, when Defence closes a Reserve depot, we lose Reservists and thus capability for the ADF.⁹¹

- 2.89 The Australian Strategic Policy Institute referenced the 2016–36 Defence Estate Strategy, highlighting that this earlier strategy explicitly recognised that ‘estate decisions should support force generation, including the role of reserves and cadets in recruitment, retention and community linkage’. However, the Defence Estate Audit reframed the task through a different lens (the Review):

In doing so, it does not appear to explicitly carry forward the earlier estate - workforce integration model as a central organising principle. This creates a growing disconnect between strategy, workforce and infrastructure.⁹²

Alternative sites

- 2.90 The Defence Estate Audit made the following recommendation, which has been accepted by the Australian Government:

Recommendation 3: Defence reduce and divest smaller property holdings used to accommodate Reserve units and Cadet programs through greater utilisation of other Defence facilities, shared Multi-User Depots or, as a last resort, alternate leased premises.⁹³

- 2.91 Defence submitted that it carefully assessed impacts on Reserve and Cadet units, and the department’s work focuses on supporting retention and maintenance on reserves and cadets within the same region. In particular:

⁹¹ Major General Paul Irving (Rtd), RUSI, answers to written questions on notice from Senator Lambie, 28 May 2026 (received 29 May 2026), pp. 1–2.

⁹² Australian Strategic Policy Institute, *Submission 13*, p. 5. Note: Defence did not provide the committee with a copy of the strategy when requested to do so: Defence, answers to questions on notice (received 30 June 2026), [p. 2].

⁹³ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 20.

...all reserves will be able to transition to a new site. This will be managed sensitively on a case-by-case basis. For cadets, many units will move into local community-based facilities (for example community halls, schools and social clubs), which has been demonstrated to work effectively at other sites around Australia.⁹⁴

- 2.92 Mr Peter West, First Assistant Secretary in Estate Transformation, advised that 'all cadet units will remain within their current region ... [I]t won't be a long kilometre distance [five to 10 kilometres]'.⁹⁵ Specifically in relation to north-west Tasmania, he said:

We currently have plans in place to build a multi-user depot in northern Tasmania, and we are currently exploring options to build a second multi-user depot in north-west Tasmania to support reserve units ... We are aware of the impacts of these closures. That's why we're developing plans for alternative sites. There is a need to modernise the Defence estate as well as reduce the size of the Defence estate, and that is part of the goal of this process.⁹⁶

Figure 2.2 ADF Cadets Multi-user Depot, Launceston, Tasmania



Source: committee secretariat

- 2.93 Captain Field emphatically rejected that Defence has carefully assessed the impacts on reserves and cadets, and contradicted the department's evidence that relocation will produce effective outcomes. He said:

That careful assessment has produced little understanding. For my unit, relocation will be an enormous change not only to how and where we parade but, more importantly, to our identity and our heritage. The unit will

⁹⁴ Defence, *Submission 125*, [p. 4]. Also see: Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 7 May 2026 (received 19 May 2026), pp. 2–3, who stated that the Defence Estate Audit consulted a range of stakeholders on workforce impacts, including ADF Reserves and Cadets; Defence, answers to written questions on notice (received 26 May 2026), [p. 2].

⁹⁵ Mr Peter West, First Assistant Secretary, Estate Transformation, Defence, *Committee Hansard*, 4 May 2026, p. 49.

⁹⁶ Mr Peter West, First Assistant Secretary, Estate Transformation, Defence, *Committee Hansard*, 4 May 2026, p. 50.

lose its name. It will lose its cultural link to the Royal New South Wales Lancers and, in losing that link to the oldest regiment in the Australian Army and to the association and museum of which we are members, we will lose those armoured corps traditions and structures which underpin our unit. Defence is committed to retaining cadets in the region however the region is defined, but it won't be this unit.

My colleagues at 248 Army Cadet Unit, which parades at Victoria Barracks Sydney, are in a similar predicament. The unit's designation of 248 is a direct reference to 1848, the year that Victoria Barracks opened. The unit is named City of Sydney (Gadigal). To my knowledge it is the only Army cadet unit with an Indigenous clan name. Defence has suggested that this cadet unit can relocate to Randwick Barracks, a mere seven kilometres from their current location. But, in doing so, they will lose their name. They will no longer be the City of Sydney, and retaining the name Gadigal would be problematic as Randwick City Council states that Randwick is home to both the Gadigal and the Bidjigal clans. I am certain that Defence's careful assessment did not take any of these facts into consideration.⁹⁷

Type and location of facilities

- 2.94 Several submitters and witnesses questioned whether the Defence Estate Audit, Defence and the Australian Government understand the needs of Reserve and Cadet units. They argued that community-based facilities are not suitable for cadet training and they expressed concerns about transitional arrangements.
- 2.95 Dr James Unkles, Commander in the Royal Australian Navy (Rtd), expressed his shock on learning of the Australian Government's decision to divest 67 Defence sites and in particular, the impact of that decision on Cadet units:

These sites cannot simply be replaced in the civilian environment ... Removing cadets and their support staff to civilian locations will break the nexus with the ADF and cause long term morale and loss of support for the cadet industry and ADF capability ... [T]his will be an immense loss to Defence capability at a time when Australia is attempting to increase recruiting and the growth of the ADF to face an increasing hostile international environment.⁹⁸

- 2.96 In evidence, Dr Unkles emphasised that civilian partnerships cannot instil the 'mentality of service' that is critical to cadet recruitment and development:

I assume you've been to Cerberus. There's nothing better than when you drive into Cerberus and you experience the difference. You go through the main gate, you go through security, and you are inducted. If you are a cadet, you might do it once a month, you might do it whenever, but it instils a

⁹⁷ Captain David Field, 203 Army Cadet Unit, Lancer Barracks, *Committee Hansard*, 8 May 2026, p. 17.

⁹⁸ Commander Dr James Unkles (Rtd), *Submission 98*, pp. 2–3. Also see: 203 Army Cadet Unit, Lancer Barracks, *Submission 37*, p. 2, which submitted that, in metropolitan areas, it may be impractical to relocate to community-based facilities.

sense of pride that, 'I am a cadet serving Australia' ... Quite frankly, you don't get that going to a local school or a hall. It's just not the same.⁹⁹

- 2.97 Similar to Dr Unkles, the Australian Cadet Corps argued that the Australian Government should be actively seeking to expand the Reserve and Cadet units. It argued that the government should improve access to facilities, enable co-location between services, and embed units within their own communities:

Closing or consolidating urban sites will only increase barriers to participation which will further reduce enrolment numbers and weaken the long-term pipeline into Defence service. This point is particularly relevant given that recruitment is already under pressure; this represents a strategically unsound approach. Cadet and reserve programs are not peripheral to Defence capability; they are foundational to it.¹⁰⁰

- 2.98 RSL Australia's Mr Tinley said that future force posturing must include cadets, and he specifically highlighted the impact of the Defence Estate Audit in Tasmania:

There are over 40,000 cadets across Australia. They are a fundamental underpinning of recruitment for the ADF, and they are a showcase to the community about how seriously we take those who wish to make a career in defence and how we support them. Take [Tasmania], specifically—the fact that these cadets won't even have a rifle range to use is something that tells me [the Defence Estate Audit hasn't] looked at this from the principles of force posture ... Anybody that's ever worn a uniform, regardless of the service, would say: 'A whole state in this Federation without a military rifle range? That beggars belief!'.¹⁰¹

- 2.99 Also sharing concerns for Tasmania, Colonel Ross Byrne RFD (Rtd) noted that the Defence sites in that state are being reduced to two sites (Anglesea Barracks (Hobart) and the ADF Cadets Multi-user Depot (Launceston)). Colonel Byrne argued that plans to relocate Tasmania's Reserve and Cadet units to these sites only are 'fanciful' and 'not deliverable':

This plan appears to have been developed from a desktop review from a group of people who have not consulted effectively with any of the stakeholders, particularly the State government in Tasmania, and they obviously did not visit many (or any) of the facilities. This plan will weaken Australia's ability to defend itself in the longer term. This plan will see the demise of the Army Reserve in Tasmania. If implemented as proposed, within five years there will be less than 150 Reservists in Tasmania, probably

⁹⁹ Dr James Unkles, private capacity, *Committee Hansard*, 18 May 2026, p. 26.

¹⁰⁰ Australian Cadet Corps, *Submission 17*, [p. 2], which noted that this objective is consistent with the core purpose of the Defence estate: to support the preparedness of the Australian Defence Force.

¹⁰¹ The Hon Mr Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, pp. 18 and 20. Also see: Captain David Field, 203 Army Cadet Unit, Lancer Barracks, *Committee Hansard*, 8 May 2026, p. 17.

an Infantry rifle company only, and Defence recruiting will drop to a trickle. Cadets will be marginal with small numbers.¹⁰²

2.100 Mr Timothy Hancock, a former cadet and serviceman, told the inquiry that ‘there has been no consultation or announcement about replacing facilities anywhere else in the state for cadets or for the Army Reserve’. He suggested that ‘Defence is trying to wash its hands of providing infrastructure to cadets’.¹⁰³

2.101 The Tasmanian Government especially commented on the Australian Navy Cadet units:

All of Tasmania’s six Naval cadet units (Training Ships) are earmarked for end-of-lease, with Defence advising cadets will be relocated to other sites. Four of the six Naval cadet units have water access likely to enhance Naval cadets’ maritime experience. The loss of this water access and its loss on the Naval cadet experience should be considered in any planning. There has been limited information provided either publicly or to the Tasmanian Government in relation to the alternative arrangements for cadets and reservists, or how communities will be supported.¹⁰⁴

2.102 Captain Richard Morgan, Volunteer Officer and National Commander for the Australian Navy Cadets, added that navy cadet units have unique requirements and the Defence Estate Audit disproportionately affected their facilities:

In simple numerical terms, there are six units from the Navy Cadets being impacted [in Tasmania], and we have one unit in south Queensland being impacted. That’s it. Out of our 81 units, they’re the ones being impacted, and Tasmania takes the cake.¹⁰⁵

Multi-user depots and transitional arrangements

2.103 Defence Estate Audit Recommendation 3 identified ‘other Defence facilities’ or ‘shared Multi-user Depots’ as alternative training facilities for Reserve and Cadet units. However, some inquiry participants noted that the audit did not fully consider that specific divestment sites could themselves be better utilised, even as some were identified by the audit as being ‘underutilised’.

2.104 The 203 Army Cadet Unit, Lancer Barracks indicated that its barracks could function as a Multi-user Depot. Likewise, the Navy League of Australia offered

¹⁰² Colonel Ross Byrne RFD (Rtd), *Submission 49*, p. 3. Also see: Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 9 and Major Peter Williams, Northern Director, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 9, who commented that the site is quite small for all the cadet units and their equipment; Captain Richard Morgan, Volunteer Officer and National Commander, Australian Navy Cadets, *Committee Hansard*, 27 August 2026, p. 32, who advised that multi-user depots must be large to accommodate all three services.

¹⁰³ Mr Timothy Hancock, private capacity, *Committee Hansard*, 27 August 2026, p. 30.

¹⁰⁴ Tasmanian Government, *Submission 130*, [p. 5].

¹⁰⁵ Captain Richard Morgan, Volunteer Officer and National Commander, Australian Navy Cadets, *Committee Hansard*, 27 August 2026, pp. 31 and 35.

its Devonport property for re-development as a Multi-user Depot: 'co-locating all three [Devonport] cadet services on this site provides Defence with a cost-effective, low-risk and community-supported solution'.¹⁰⁶

2.105 Mr Mark Schweikert, Federal President of the Navy League of Australia, explained his organisation's offer, as follows:

The current depot only operates in about five to 10 per cent of the [two hectare] site. I could put two other cadet units there very easily. In fact, if you had an aid-to-civil-authority task you needed to do, I could land six Black Hawks or six Seahawks or four Chinooks in that site with a facility that is secure, that has a commercial kitchen, bunk accommodation for 16 people as well as classrooms, lecture rooms, the lot. It's ready to go for all that, if you wish ... We've spoken to the locals down there. There is nowhere for the cadet units in Devonport to go. I've spoken to [Defence's Security and Estate Group]. 'Where are you going to put them?' 'Oh, we'll find somewhere.' 'How much is it going to cost?' 'We don't know.' It's really difficult to work out what's going on here ... They will not consider the proposal that we've given them on its merit.¹⁰⁷

2.106 Other participants in the inquiry queried where and when alternative training sites will be available for cadets and reservists. Major General Michael Krause AM, Vice President of the Royal Australian Armoured Corps Association, advised that the 1st/15th Royal New South Wales Lancers (a Reserve regiment) is proposed to be relocated to Holsworthy Barracks (Sydney). He said:

...any suggestion of moving the Lancers to facilities that don't exist in a remote part of Sydney that is not seen can only reduce the capability at the very time that they're being asked to increase their capability. My concern is about the capability generated by the Lancers that they generated from the barracks.¹⁰⁸

2.107 With reference to RAAF Base Williams (Point Cook), Mr Chaplin gave evidence that it is not quite so easy to relocate the cadets: 'It's a quite complex issue regarding proximity to travel, volunteers, airspace, facilities, security for the children who are there and supervision of them'. Mr John Bushell, State President of the Queensland Division of the Air Force Association, added

¹⁰⁶ Navy League of Australia, *Submission 20*, p. 7. Also see: 203 Army Cadet Unit, Lancer Barracks, *Submission 37*, p. 2.

¹⁰⁷ Mr Mark Schweikert, Federal President, Navy League of Australia, *Committee Hansard*, 4 May 2026, pp. 29 and 30.

¹⁰⁸ Major General Michael Krause AM, Vice President, Royal Australian Armoured Corps Association, *Committee Hansard*, 4 May 2026, pp. 28–29.

that finding suitable airspace would be challenging, due to very high air traffic density at the nearest options (Moorabbin and Tullamarine airfields).¹⁰⁹

2.108 Mr Tinley referenced Irwin Barracks (Western Australia):

...the new site that they're proposing is on the eastern side of the city, with a minimum cost of \$200 million. In a state where it's very difficult to get construction done, when will that actually come to pass? The full end-to-end strategy here is not quite clear to us.¹¹⁰

2.109 At Queenscliff (Victoria), Mr Adrian Barber described to the committee his recent experience as a civilian helper for the Geelong Air Force Cadet Unit:

We're out. We were told on about 29 April at the Geelong RSL that we would have to move ... The old site was at Sherbourne Terrace in Newtown ... We are now at the Newland Barracks ... As I said, we've moved. No fuss, no malice—we just got on with it, because that's what we do ... Our old facility is still vacant ... Our 13- to 18-year-old cadets are an amazing and incredible bunch of kids ... Why should they be parading out in the rain and the cold? Why? We're still waiting on shipping containers for all our equipment. Those three shipping containers worth of equipment are sitting on the floor in the hall that we are meant to be parading in in the cold weather. Our IT systems are sitting in a pile ... We're using our own personal technology to deliver training programs at the moment. Why? Because we can't use the internet in the facility ... We've got boxes of drones that we love to use for our cadets. We can't use a single one of them, because there's stuff all over our floors. We can't use them outside, because they're not the right drones. Also, it's a live, active base, but we're right next to Barwon hospital, where they've got their emergency helipad. So that's a big no from CASA ... Just to make things interesting, we're going to have to move again because the Newland Barracks is also on Defence's divestiture list. So, effectively, this decision is going to impact every single Air Force cadet squadron south-west of the CBD of Melbourne when we take into account RAAF Base Laverton and RAAF Base Williams at Point Cook.¹¹¹

2.110 Inquiry participants' concerns regarding the ability of Reserve and Cadet units to move to suitable alternative premises were reflected in evidence from other site users. Major General Irving said that RUSI (Victoria) is 'in discussions with a number of organisations to see whether it's possible to move'. That institute holds 'a significant library of over 35,000 items ... so it's not just about picking up a few people; it's a significant issue to try and move a library'.¹¹²

¹⁰⁹ Mr David Chaplin, private capacity, *Committee Hansard*, 18 May 2026, pp. 6 and 7; Mr John Bushell, State President (Queensland Division), Air Force Association, *Committee Hansard*, 18 May 2026, p. 6.

¹¹⁰ Mr Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, p. 19.

¹¹¹ Mr Adrian Barber, private capacity, *Committee Hansard*, 24 August 2026, pp. 21–22. Also see: Lieutenant Colonel Phillip Pyke (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 21, who said that 'flying a drone ... is a capability that is needed for today's battlefield'.

¹¹² Major General Paul Irving, President, RUSI – Australia, *Committee Hansard*, 4 May 2026, p. 25, who noted that Defence has not previously assisted RUSI with any relocations.

Mr Len Koles made the same point in relation to the Royal New South Wales Lancers Memorial Museum.¹¹³

2.111 RSL Australia expressed its ‘straightforward’ position, as follows:

No site currently in active use by Defence or by defence-related organisations should be divested until alternative arrangements are confirmed, operational and accessible to the people affected. Transition planning should begin early, be funded adequately, and be developed in consultation with the units and organisations involved.¹¹⁴

Departmental response

2.112 As noted earlier in this chapter, Defence advised that it had carefully assessed impacts on Reserve and Cadet units. Its submission further advised that a dedicated team was established to lead ongoing engagement with these groups.

2.113 In relation to the Reserves, Ms Perkins stated that Defence was ‘very mindful to limit the impact in geographic regions’. She reiterated that ‘we will be working on maintaining, essentially, the same number of both permanent Defence and reserve populations in metro and regional areas’. Further, the transition is intended to occur with as little disruption as possible:

Defence Transition planning staff are working with Army, Navy, Air Force and affected units to ensure changes associated with site divestments are implemented in a way that supports Reservists and minimises disruption.¹¹⁵

2.114 Ms Perkins informed the committee that the cadet community is very important to Defence and from the outset, the department has ‘closely and deeply’ engaged with cadets. She explained:

The impact of estate changes on Cadet units has been considered through engagement with the Services and their Cadet leads, in accordance with established governance and chains of command ... Defence is working with the Services and their Cadet Leads to ensure relocation arrangements support the continued delivery of Cadet activities, with a focus on making arrangements for suitable alternative local facilities.¹¹⁶

2.115 Defence added that cadet units are regularly relocated from one facility to another, for a range of operational reasons:

¹¹³ Mr Len Koles, President, Royal New South Wales Lancers Memorial Museum, *Committee Hansard*, 4 May 2026, p. 34.

¹¹⁴ RSL Australia, *Submission 36*, p. 7. Also see: Air Force Association, *Submission 43*, p. 2; Tasmanian Government, *Submission 130*, [p. 5], which submitted that clear transition plans should have been developed and provided at the point of announcement (4 February 2026).

¹¹⁵ Defence, answers to questions on notice, sent 5 May 2026 (received 26 May 2026) [p. 5]. Also see: Ms Celia Perkins Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 52.

¹¹⁶ Defence, second set of answers to questions on notice (received 30 June 2026), [pp. 17–18]. Note: this consultation is in addition to the community consultation sessions.

As part of any movement of Cadet units, Defence seeks to ensure that unit requirements are met at the new location and the unit is kept informed throughout the process.¹¹⁷

2.116 To emphasise this point, Defence advised that Reserve and Cadet units will have ‘appropriate alternative arrangements in place before vacating their current locations’.¹¹⁸

2.117 Broadly, Defence advised that it is managing its social licence obligations through a combination of measures:

This includes an ongoing and comprehensive community consultation program across the country ... These community consultation sessions directly capture community views. They offer Defence an opportunity to understand public and local community views and explain transition planning. Defence also offers community members an opportunity to provide direct feedback to Defence through the audit implementation website.

Site transition planning and implementation includes consideration of the social impacts of divestment and relocation. All transition planning will be undertaken sensitively. Defence will uphold our social licence through ongoing consultation and by meeting its obligations to preserve the history and heritage of sites including community access where that is applicable.¹¹⁹

2.118 Clarity must be sought as to whether some of these sites advertised as being fully divested will remain under Defence’s custodianship, if not for the job certainty of our Defence personnel and cadets, but at the very least for the mental health of every stakeholder, personnel and veteran attached to the sites.

¹¹⁷ Defence, second set of answers to questions on notice (received 30 June 2026), [pp. 17–18].

¹¹⁸ Defence, answers to written questions on notice, (received 26 May 2026) [p. 9]. Also see: Defence, answers to written questions on notice, (received 26 May 2026) [p. 3], which advised that detailed relocation planning is underway to support the transition of Defence people, functions and capabilities.

¹¹⁹ Defence, second set of answers to questions on notice (received 30 June 2026), [p. 12].

Chapter 3

Management of the Defence estate

3.1 The Defence Estate Audit was tasked with delivering a report on the Defence estate having regard to six specific matters (the terms of reference), by no later than 31 December 2023. The audit was required to examine six specific matters, two of which will be explored below:

- c. the suitability and affordability of Defence's existing holdings, with a particular focus on holdings that are no longer fit-for-purpose and present commercial opportunities;
- d. the extent to which existing heritage obligations impact the practical use of the estate or the realisation of commercial opportunities.¹

3.2 On 4 February 2026, the Australian Government released the findings and recommendations of the Defence Estate Audit. The findings included that the Defence estate is too large (particularly the number of facilities in southern Australia), the estate is on an unsustainable trajectory, and there are critical shortages in priority areas across northern Australia.²

3.3 The auditors—Ms Jan Mason and Mr Jim Miller—recommended therefore that the Defence estate be reduced through focussed divestments at market value in areas not aligned with capability priorities, with the proceeds of sale to be reinvested in line with the priorities outlined in the Review.³ The audit reported:

A focussed program of estate consolidation and rationalisation could generate sales revenue of approximately \$3 billion, based on the divestment of 68 properties.

The majority would be generated from the sale of large metropolitan sites, which are estimated to have an adjusted market value between \$2.2 and \$2.4 billion across 26 locations.

Defence may incur upfront costs of approximately \$1.2 billion in relocating staff to alternate premises, remediating contamination, fulfilling heritage obligations and administration expenses not already allowed for.⁴

¹ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 11, www.defence.gov.au/sites/default/files/2026-02/Defence-Estate-Audit-Report-WEB.pdf (accessed 24 April 2026).

² Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 14. Also see: Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 8.

³ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, Recommendation 1, p. 18.

⁴ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 19.

3.4 This chapter examines the following matters:

- management of the estate, with a focus on disposals;
- the financial assumptions underpinning the divestment program; and
- heritage and environmental protection of Defence sites.⁵

Management of the estate

3.5 The Australian Strategic Policy Institute submitted that Defence estate management is fragmented, with limited visibility of how various functions operate as an integrated system and with no recent whole-of-system external assurance.⁶

3.6 The Australian National Audit Office (ANAO) last conducted a comprehensive performance audit of Defence estate management in 2011. The ANAO had foreshadowed a potential audit of the 'Management of the Defence estate' in 2025–26; the ANAO has instead now foreshadowed a potential audit of the 'Management of Defence estate divestments' in 2027–29.⁷

3.7 The Australian Strategic Policy Institute argued that ANAO audits have previously revealed a consistent pattern of 'weak long-term planning frameworks, insufficient asset condition data, underfunded maintenance, variable contract performance, and inefficiencies in project delivery and cost control'. It continued:

These findings highlight systemic challenges in managing the estate at the functional level. However, they also expose a deeper limitation - audits assess estate functions in isolation rather than as part of an integrated lifecycle. As a result, critical interdependencies are not fully examined, including how maintenance backlogs affect project prioritisation, how delivery delays influence capability outcomes, or how divestment and consolidation decisions shape long-term cost and resilience.⁸

3.8 The Australian Strategic Policy Institute contended that 'the underlying structural issues in estate management' must be addressed.⁹ However, participants in the inquiry reflected on a particular symptom of the mismanagement:

⁵ Terms of reference (b), (d) and (e).

⁶ Australian Strategic Policy Institute, *Submission 13*, p. 1.

⁷ Australian National Audit Office (ANAO), 'Management of the Defence estate', www.anao.gov.au/work/performance-audit/management-of-the-defence-estate (accessed 15 May 2026); ANAO, 'Management of Defence estate divestments', www.anao.gov.au/work?query=defence+estate&items_per_page=10 (accessed 27 August 2026).

⁸ Australian Strategic Policy Institute, *Submission 13*, p. 7. Also see: TBH, *Submission 41*, p. 25, which remarked on the 'incomplete, inconsistent, and poorly structured asset information' that underpins investment decisions.

⁹ Australian Strategic Policy Institute, *Submission 13*, p. 7.

- 3.9 The Hon Mr Peter Tinley AM, National President of RSL Australia, and others, questioned why the Australian Government would prioritise lease expenditure over investment in its own asset:

Why not invest in the heritage building [Victoria Barracks (Sydney)] to make sure that we can actually save money by getting rid of the CBD lease of ... Defence Plaza in Sydney?¹⁰

- 3.10 Ms Celia Perkins, then Acting Associate Secretary at Defence, responded to this concern, by stating that Defence Plaza represents the way of the future:

It is a very modern fit-for-purpose office facility that allows us to operate in an office environment at the protected secret level. It includes great facilities for conferencing and meetings, so it is sort of the future of how it's most effective to do classified office-based work.¹¹

- 3.11 The committee asked Defence to provide details of recent investment into the 67 sites earmarked for divestment. It was raised again at the hearing on 4 September 2026, when the committee asked again for those details and noted they had not yet been supplied.¹² At the time of writing, the committee has not received the requested information.

- 3.12 Several witnesses described recent works projects involving significant investment for Defence sites that are now to be divested. Captain Richard Morgan from the Australian Navy Cadets referenced Training Ship (TS) *Toowoomba* (Harristown, Queensland), a multi-user depot in central Toowoomba that was recently restored and returned to naval cadets in the last 12 months.¹³ Colonel Ross Byrne RFD (Rtd) highlighted a bespoke vehicle workshop constructed over the last two years at the Derwent Barracks (Dowsing Point, Hobart), which reputedly cost \$24 million.¹⁴

- 3.13 In another example, RAAF Glenbrook (New South Wales) is a 22-hectare site that is currently home to Headquarters Air Command. Although identified for divestment, in 2025 Defence approved a multimillion-dollar medium works project (over \$11 million) for the site.

¹⁰ The Hon Mr Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, p. 20. Also see: Major General Paul Irving AM PSM RFD (Rtd), President, Royal United Services Institute for Defence and Security Studies – Australia, *Committee Hansard*, 4 May 2026, p. 23; Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 22.

¹¹ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 55.

¹² See: *Committee Hansard*, 4 September 2026, p. 21.

¹³ Captain Richard Morgan, Volunteer Officer and National Commander, Australian Navy Cadets, *Committee Hansard*, 27 August 2026, p. 35. Also see: Colonel Ross Byrne RFD (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 19; Rear Admiral Stephen Gilmore AM CSC, private capacity, *Committee Hansard*, 27 August 2026, p. 26.

¹⁴ Colonel Ross Byrne RFD (Rtd), private capacity, *Committee Hansard*, 27 August 2026, pp. 22 and 23.

- 3.14 Ms Perkins advised that this project had been ‘in planning for some time’. She also advised that Headquarters Air Command will be transitioned to another location within one or two years, in line with Recommendation 2 of the Defence Estate Audit (consolidation of all domain command headquarters).¹⁵
- 3.15 Finance recognised that there are inefficiencies in Defence estate management:
- Delivering ongoing internal reform will be important to address structural and process inefficiencies in Defence’s estate management raised by the Audit to ensure a sustainable estate that supports Defence strategic objectives.¹⁶

Defence Estate Audit divestments

- 3.16 The Australian Government agreed to divest 67 Defence sites identified in Recommendation 1 of the Defence Estate Audit. The government announced that the Department of Finance (Finance) will manage the divestment of 58 Defence sites.¹⁷ Prior to the announcement, Defence had already disposed of three sites and was in the process of divesting six sites.¹⁸
- 3.17 Finance advised that it is managing the disposal process due to its experience with large-scale divestment programs, expertise in divestment and remediation, and its oversight of the Commonwealth Property Disposal Policy, and other land policy and legislation (Chapter 4).¹⁹

¹⁵ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 54. Also see: Defence, answers to questions on notice, 4 May 2026 (received 21 May 2026), [p. 3], where the department omitted to answer the committee’s request for information on the cost of decommissioning RAAF Glenbrook.

¹⁶ Finance, *Submission 38*, [p. 3]. Also see: Ms Lee-anne Monterosso, First Assistant Secretary, Service Delivery, Defence, *Committee Hansard*, 1 July 2026, pp. 12–13, who acknowledged that two contracts in the Base Services Transformation Program have recently been awarded to companies currently being prosecuted in the Federal Court of Australia for alleged breaches of competition laws.

¹⁷ The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and The Hon Matt Thistlethwaite MP, Assistant Minister for Defence, ‘Delivering the Future Defence Estate’, *Joint Media Release*, 4 February 2026, www.minister.defence.gov.au/media-releases/2026-02-04/delivering-future-defence-estate (accessed 24 April 2026).

¹⁸ Defence, answer to question on notice, Portfolio Question No. 10, Senate Foreign Affairs, Defence and Trade Legislation Committee, Additional Estimates 2025–26, 11 February 2026 (received 9 April 2026). Also see: Defence, second set of answers to questions on notice (received 18 June 2026), [p. 1].

¹⁹ Finance, *Submission 38*, [p. 4].

- 3.18 To conduct its role, Finance received access to relevant information, excluding ‘the body of documents that formed the audit’.²⁰ The department has engaged a Strategic Industry Partner (SIP), and legal and probity advisers to assist with the delivery of the divestment program. In particular:

The SIP will undertake due diligence of the sites (for example, environmental and heritage assessments) and property valuations, provide market advice, support sales negotiations and support any actions required under legislation.²¹

- 3.19 Finance submitted that due diligence is critical to inform potential future uses for the Defence sites and site-specific divestment strategies:

Divestment strategies will consider factors such as open or off-market sales, and assess other social, financial, and economic benefits specific to each site. These options will be considered by Finance and recommended to Government for a decision on the future use and divestment of each site.²²

- 3.20 Finance advised that, once the Australian Government has approved divestment strategies, sites will be transferred from Defence to Finance to undertake the divestment process. As part of this process:

The SIP, together with Finance’s legal and probity advisers, will ensure appropriate conditions and/or caveats are included in the sale contracts (e.g. heritage protection) as appropriate.²³

Surplus land held on trust

- 3.21 Most inquiry participants objected to the consideration of specific Defence estate assets as properties capable of being realised for commercial profit (Defence Estate Audit terms of reference (c) and (d)). They argued that the Commonwealth does not hold Defence sites as part of a property portfolio but on trust for the Australian people.

- 3.22 Colonel Byrne, for example, submitted that the Australian Government is treating the Defence estate—comprising public assets—as though it were disposable items on a balance sheet, rather than strategic holdings:

These disposals yet again constitute a transfer of wealth from the public to the private sector. Defence finances have for years been criticised for waste and poor management and yet again we have another example of this. Defence has spent millions if not billions on these facilities over many years now just to give them away – and they will – because someone now has a new great idea.²⁴

²⁰ Finance, answers to written questions on notice, 4 May 2026 (received 26 May 2026), [p. 2].

²¹ Finance, *Submission 38*, [p. 4].

²² Finance, *Submission 38*, [p. 4].

²³ Finance, *Submission 38*, [p. 4]. Also see: Attachment A, [p. 8] (the divestment roadmap).

²⁴ Colonel Ross Byrne RFD (Rtd), *Submission 49*, p. 15.

- 3.23 The Royal United Services Institute for Defence and Security Studies–Australia (RUSI) referenced the Victoria Barracks (Brisbane) as a particular example of a site that should not be considered a commercial investment:

Victoria Barracks Brisbane was not acquired by the Commonwealth as a commercial asset but transferred at Federation in 1901 as part of the assumption of national defence responsibilities under Section 69 of the Constitution. Contemporary records indicate that control of the site passed directly to the Commonwealth, reflecting a functional transfer of colonial defence property, rather than a market transaction.²⁵

- 3.24 The Royal Australian Armoured Corps Association (NSW) commented similarly with respect to the Lancer Barracks (Parramatta, Sydney). It also argued that the land is held on trust for Defence purposes (not disposal) and ‘financial return cannot be used as the primary justification for divestment’.²⁶
- 3.25 Multiple submitters and witnesses contended that certain Defence sites considered by the Australian Government to be surplus land should remain in public ownership or be transferred to a public custodial entity, rather than being sold on the open market to private interests (Chapter 4).²⁷
- 3.26 Several participants specifically identified the Sydney Harbour Federation Trust (Harbour Trust), a corporate Commonwealth entity that manages about 145 hectares of land across nine former military heritage sites around Sydney Harbour, as an entity that could take responsibility for some of the 58 divestments.
- 3.27 The National Trust of Australia (NSW), for example, submitted:

...any divestment of Spectacle Island should explore the transfer of ownership to the Sydney Harbour Federation Trust, who have been conserving former Defence sites around Sydney Harbour for over 20 years – including the immediately adjacent Cockatoo Island which is only 300m away. With proper funding, we believe that the Sydney Harbour Federation Trust would have the means and expertise to care for the site while also opening it for public enjoyment.²⁸

- 3.28 The Headland Preservation Group—and many individual submitters — presented similar arguments in relation to HMAS *Penguin* (Mosman, Sydney). Its submission emphasised that the Harbour Trust has

²⁵ Royal United Services Institute for Defence and Security Studies–Australia, *Submission 33*, Appendix 1, p. 7.

²⁶ Royal Australian Armoured Corps Association (NSW), *Submission 15*, p. 4; Royal Australian Armoured Corps Association (NSW), answers to written questions on notice, 11 May 2026 (received 26 May 2026), p. 1.

²⁷ See, for example: Royal United Services Institute for Defence and Security Studies–Australia, *Submission 33*, p. 5 (Victoria Barracks (Brisbane) and Victoria Barracks (Melbourne)).

²⁸ National Trust of Australia (NSW), *Submission 24*, p. 4. Also see: Mr Robert Curran, *Submission 136*, [p. 2]; Ms Linda Bergin OAM, *Submission 126*, p. 1.

heritage and environmental protection responsibilities under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (the EPBC Act), as well as under its enabling legislation, the *Sydney Harbour Federation Trust Act 2001* (Cth):

The former defence site of Georges Heights and Middle Head is evidence of the successful management of former Defence land by the Harbour Trust. The Harbour Trust has preserved the site's extraordinary natural, cultural, and heritage values to provide a highly prized harbour foreshore parkland.²⁹

- 3.29 The Harbour Trust affirmed that there is potential for other Commonwealth lands in Sydney Harbour to come under its stewardship but prefaced its comments with concerns about ongoing financial sustainability. The Harbour Trust explained that there is no annual appropriation from the Australian Government, with only occasional one-off funding allocations through the Budget process for adaptive reuse and critical maintenance:

...financial sustainability has been a recurring issue throughout the Harbour Trust's 25 years of existence, with underinvestment in maintenance, adaptive reuse and visitor experience in order for the organisation to operate within the limits of its own-earned revenue. In cash terms, in 2024-25 self-earned revenue was \$23.1 million and expenditure was \$22.8 million[.]³⁰

- 3.30 The Harbour Trust noted that the 2020 Independent Review of the Sydney Harbour Federation Trust estimated that over \$300 million in funding would be required to rehabilitate all the Trust land and deliver its Strategic Asset Management Plan, a figure that the Harbour Trust considered a 'significant underestimate'.³¹

- 3.31 Brigadier Kevin O'Brien CSC (Rtd) noted that, since its inception, the Harbour Trust has not made any money, reinforcing his concern that any projections of financial returns on the divestment of Defence sites are 'illusionary':

There were never enough funds to do all the decontamination. There weren't enough funds to look after the many, many heritage buildings. In the end, we chose to prioritise good heritage sites. Some were demolished. Those that were immediately able to be adaptively reused had to be done up. All of these activities actually cost money ... The amounts of money are

²⁹ Headland Preservation Group, *Submission 56*, p. 10. Also see: p. 9.

³⁰ Sydney Harbour Federation Trust (Harbour Trust), *Submission 29*, p. 2. Also see: p. 1; Professor Tim Entwisle, Chair, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 5.

³¹ Harbour Trust, *Submission 29*, p. 2. Also see: Department of Climate Change, Energy, the Environment and Water, 'Independent review of the Sydney Harbour Federation Trust', www.dcceew.gov.au/parks-heritage/heritage/publications/shft-independent-review (accessed 18 May 2026).

eye-watering, and they have to be done immediately, before you can put them out for tender or look at options for reuse. So, if you're talking about the ... [idea] of making money, the truth is that all it does is bring forward all of that remediation expenditure ... There's not a possibility that any of that money would come back.³²

Financial assumptions underpinning estate divestment

3.32 The Defence Estate Audit reported that the divestment of 68 Defence sites could generate gross and net returns of \$3 billion and \$1.8 billion, respectively. Defence subsequently clarified that it had reviewed elements of the costings and updated some of the property valuations. Ultimately:

The property valuation total is \$3.1482 billion. The cost to divest is \$1.275 billion, and the potential net benefit that we would return for defence investment is \$1.872 billion ... [In addition] we projected savings to sustainment costs that we analysed to be \$746.3 million over the five years from the announcement of the audit.³³

3.33 Defence representative Ms Perkins acknowledged the variation between the Defence Estate Audit and Defence estimates, which she also attributed to the department having already divested three of the properties and the government having decided to retain one and only partially divest three other properties.³⁴

Net returns and costs

3.34 Submitters and witnesses noted the financial estimates reported in the Defence Estate Audit however, they voiced concerns about the minimal impact that the divestment program could have on the Defence budget (\$62.6 billion for the 2026–27 financial year) and the accuracy of these estimates.³⁵

3.35 The Australian Strategic Policy Institute commented that the Defence Estate Audit presents divestment as 'a mechanism to unlock capital and reduce sustainment burdens'. However, the underlying assumptions about environmental remediation costs, heritage compliance, sales completion and net returns are optimistic and based on historical experience, unreliable:

[The] figures are highly sensitive to escalation risks ... Evidence from previous Defence divestment programs demonstrates that [remediation costs, etc] are often underestimated at the outset and accumulate over extended timeframes, materially eroding net returns ... Defence property disposals routinely span up to a decade, with complex planning, regulatory approvals, contamination remediation and stakeholder consultation

³² Brigadier Kevin O'Brien CSC (Rtd), private capacity, *Committee Hansard*, 8 May 2026, p. 20.

³³ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, pp. 43–44.

³⁴ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, pp. 43–44.

³⁵ See, for example: RSL Australia, *Submission 36*, p. 8; Headland Preservation Group, *Submission 56*, p. 10; Mr David Burdon, Conservation Director, National Trust of Australia (NSW), *Committee Hansard*, 8 May 2026, p. 2.

processes delaying sales and increasing holding costs. In many cases, the full lifecycle cost of divestment - including due diligence, site preparation and relocation - is not transparently offset against final sale proceeds. As a result, headline sale values can overstate the financial benefit to Defence, with net returns significantly lower once all associated costs are accounted for. This raises a fundamental issue - divestment is often treated as a source of budget relief - but in practice it delivers modest and delayed financial returns relative to Defence's broader funding requirements.³⁶

3.36 Similarly, Brigadier O'Brien (Rtd) commented:

There seems to be, somehow or the other, a dollar sign in somebody's eyes. You hear this figure bandied around—'we'll make \$3 billion out of it.' I can tell you now, with 15-odd years of experience in that game—and I was actually on the Defence efficiency review during 1997; I was one of the senior officers on it—this is a total and utter illusion. There is no money. They will make no money. The heritage will go downhill, and the Defence units will lose out. This is a lose, lose, lose plan.³⁷

3.37 Specifically in relation to environmental remediation, the Tasmanian Government highlighted that three Defence sites in that state have major remediation requirements, which are likely to be costly and/or affect sales:

Under existing Crown lease requirements over land leased from the Tasmanian Government, Defence is responsible to undertake full remediation prior to returning the land to the Tasmanian Government. The remediation requirements for some of the divestment sites are significant and include buried asbestos and unexploded ordinances. We understand that the Department of Defence has not committed to undertake full remediation. This is likely to affect site saleability or will attract substantial remediation costs.³⁸

3.38 Other submitters noted contamination issues at specific Defence sites scheduled for divestment and they also questioned if/when Defence will decontaminate these sites. The Aviation Historical Society of Australia, for example, advised that the south-eastern side of RAAF Base Williams (Point Cook, Victoria) has been contaminated with firefighting (PFAS) chemicals: 'what plans are there for the contaminated soil at Point Cook'?³⁹

³⁶ Australian Strategic Policy Institute, *Submission 13*, p. 8.

³⁷ Brigadier Kevin O'Brien (Rtd), private capacity, *Committee Hansard*, 8 May 2026, p. 22.

³⁸ Tasmanian Government, *Submission 130*, pp. 5–6. Also see: Ms Janet Carding, Executive Director, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 7, who noted that Snapper Island (Sydney) (a trust site) is heavily contaminated and there is, as yet, no resolution for decontamination measures; Ms Jill L'Estrange, President, Headland Preservation Group, *Committee Hansard*, 8 May 2026, p. 14, who described Cockatoo Island (Sydney) (also a trust site) as 'a sinkhole because of remediation'.

³⁹ Aviation Historical Society of Australia, answers to questions on notice, sent 21 May 2026 (received 4 June 2026), [p. 4].

- 3.39 Similarly, Save Westernport highlighted that HMAS *Cerberus* (Victoria) is littered with unexploded ordnance and has substantial PFAS contamination:

To remediate these for the purpose of development would be a huge undertaking possibly taking years, similar to Pt Nepean, and a risk would always remain ... PFAS contamination at Cerberus resulted from the widespread use of firefighting foam ... Defence has undertaken remedial actions particularly around the key sources of the PFAS risk, including building a containment cell and has a management plan in place ... Despite the containment, PFAS had already entered the soils and waterways on the site and into Hahn's Inlet. Defence has stated that 'over time' they anticipate the level of PFAS leaving HMAS *Cerberus* and entering Westernport at Hahn's Inlet will be reduced by 80%. How long is 'over time'?⁴⁰

- 3.40 RSL Australia submitted that the 1997 Defence Efficiency Review had recommended divestments from the Defence estate but remediation costs, heritage constraints and planning restrictions caused those sites to be withdrawn from sale. Its submission noted that some of these sites have, again, been recommended for divestment in the Defence Estate Audit.⁴¹

- 3.41 Brigadier O'Brien (Rtd) remarked that the audit committed a 'major oversight' in not referencing this past experience:

...the assumptions and advice to the Howard Government by Finance (Defence Estate) at the time could only be best described as 'heroic'. The remediation costs were higher than anticipated; developer appetite for acquiring heritage properties was lower than expected; and the public outcry over the proposed wholesale sale of public lands was overpowering. The government [was] forced to an embarrassing backdown, with the majority of the lands remaining in public hands to be managed by the newly created Sydney Harbour Federation Trust. For Defence the outcome was a disaster.

As one example, the School of Artillery was relocated from the desirable, scenic and attractive North Head location to Puckapunyal in regional Victoria. Protests from the Army were ignored. The men were ordered to 'just get on with it'. Allegedly the sale of North Head would provide an excellent financial return on the relocation costs, the new build at Puckapunyal and all other dislocation impacts on recruitment and retention. This projection was a mirage. The site has remained vacant for 26 years, requiring constant expensive maintenance. The impact on community goodwill as well as on recruitment and retention has not been quantified. Many soldiers and [Non-commissioned officers] are angry to this day.⁴²

⁴⁰ Save Westernport, *Submission 187*, p. 12.

⁴¹ RSL Australia, *Submission 36*, p. 8. Also see: Headland Preservation Group, *Submission 56*, p. 10.

⁴² Brigadier Kevin O'Brien CSC (Rtd), *Submission 124*, [p. 2]. Also see, for another example: National Trust of Australia (Victoria), 'Quarantine Station development at Point Nepean National Park', www.trustadvocate.org.au/quarantine-station/ (accessed 21 May 2026).

- 3.42 Dr Bob Marmion, Secretary of the Fort Queenscliff Heritage Association, voiced community concerns regarding the heritage assets in and around Queenscliff (Victoria):

If [the assets leave] Commonwealth ownership, what protection is there? At the moment, there is no protection ... We had a problem a number of years ago with Crows Nest, which is an Army base on the outskirts of Queenscliff. Defence divested it. It went into private ownership, and the Defence facilities were demolished because there was no heritage protection. We also have ongoing maintenance concerns for protection of the assets when Defence leaves on 30 June next year. We don't want a repeat of Fort Scratchley, where it took 15 years and \$18 million to reconstitute or repair the damage done by vandalism when Defence left.⁴³

- 3.43 In a similar vein, Mr Robert Curran argued that Defence must give further consideration to estate assets that, for one reason or another, are not likely to be divested. As an example, his submission referenced Spectacle Island (Sydney):

With an island landform, a harbour location, isolation, industrial contamination, possible susceptibility to sea level rise, First Nations interest and heritage classification, its future is going to be a planning challenge for both government and the community.

It's possible that divestment will fail for this site. Therefore, I believe that as the divestment process goes forward, there should be parallel planning for "what happens next" if it does fail. Leaving a heritage site of such national importance abandoned is a sure invitation to vandalism and decay.⁴⁴

- 3.44 Some submitters commented on the cost of heritage constraints and associated planning restrictions. Abundant Housing Network Australia, for example, highlighted that heritage conservation is extremely expensive and many Defence sites have stringent planning restrictions (such as height controls), factors that can militate against revenue positive development.⁴⁵
- 3.45 Ms Linda Gosling, Vice President of The Paddington Society and professionally a heritage architect, stated that, after application of the EPBC Act and proper heritage overlays, 'there would not be much land [at Victoria Barracks, Sydney] that you could develop, nor could it be very high'. Her colleague, Mr Paul Bardsley, also representing The Paddington Society, concurred:

...there's no way you would say to a client, 'This is something that stacks up.' It's impossible to get a return on something like that ... In practice, what

⁴³ Dr Bob Marmion, Secretary, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 7. Also see: p. 10, where Dr Marmion noted that the parade ground has been built over; Mr Andrew Dagg, Treasurer, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 9.

⁴⁴ Mr Robert Curran, *Submission 136*, [p. 2].

⁴⁵ Abundant Housing Network Australia, *Submission 4*, [p. 5]. Also see: [p. 8]; Ms Collette Brennan, Chief Executive Officer, National Trust of Australia (Victoria), *Committee Hansard*, 18 May 2026, p. 12.

a developer would do is to sterilise most of the site and just meet their obligations to a minimum level and try and excise the parts that are developable and get a commercial return out of those ... But the heritage overlay is for the entire site; in fact, it's beyond the site.⁴⁶

Site valuations and cost estimates

3.46 The Defence Estate Audit term of reference 10(c) required the presentation of 'cost estimates to underpin audit recommendations, including assessments of value for money and sustainability'.⁴⁷

3.47 Mr Miller confirmed that he and Ms Mason had received cost estimates for the 68 Defence sites recommended for divestment, and he described each estimate as having three components:

There was a cost estimate net of heritage costs and remediation costs, there was an ongoing maintenance cost that was related to the sites and there was a future capital expenditure cost if the sites weren't divested. The aggregate figures are disclosed in the report.⁴⁸

3.48 Ms Mason told the inquiry that the cost estimates are 'commercially sensitive' and cannot be disclosed without impacting the proceeds of sale:

The Department of Finance will be taking to market most of the properties. The Department of Defence will continue with sale processes for some of the properties where those sale processes are already underway. The actual outcome delivered for the Commonwealth in financial proceeds will be dependent on market responses to those offerings. So to disclose an estimate ... could potentially damage the proceeds that would otherwise be returned to the Commonwealth. It's reasonably common that that would not be disclosed.⁴⁹

3.49 As indicated in Chapter 2, Defence reiterated this rationale when the committee requested the department to provide the cost estimates, including remediation and relocation costs, and also operating costs for specific Defence sites—such as Victoria Barracks (Sydney)—arguing that to do so would diminish the Commonwealth's commercial advantage when negotiating best market value for each site.⁵⁰

3.50 Submitters and witnesses raised concerns about this lack of transparency. They noted that the divestment of publicly owned properties is claimed to

⁴⁶ Ms Linda Gosling, Vice President, The Paddington Society, *Committee Hansard*, 8 May 2026, p. 11; Mr Paul Bardsley, Member, The Paddington Society, *Committee Hansard*, 8 May 2026, p. 11.

⁴⁷ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 11.

⁴⁸ Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, p. 10.

⁴⁹ Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 10.

⁵⁰ Defence, answers to spoken questions on notice, 4 May 2026 (received 21 May 2026), [p. 1]; Defence, answers to written questions on notice (received 26 May 2026), [p. 3]; Defence, answers to spoken questions on notice, 1 July 2026 (received 2 September 2026), [pp. 1–2].

achieve cost efficiencies and generate revenue. However, without the financial data there is no accountability mechanism.

- 3.51 RSL Australia submitted that the absence of financial analysis prevents scrutinization of how revenue expectations will be met:

A full cost benefit analysis should be completed and published for each site, detailing replacement costs for displaced capability, remediation and heritage obligations, and a realistic assessment of achievable sale proceeds.⁵¹

- 3.52 Lieutenant General Kenneth Gillespie (Rtd) noted that ‘we were told quite clearly that the cost of maintenance in Victoria Barracks is very expensive — that's true; it's a heritage building and it's going to be expensive’.⁵² While Defence would not quantify this cost for the inquiry, The Paddington Society pointed out that, according to information volunteered by Minister Marles, ‘we understand the annual maintenance/upkeep cost to be \$10 million, growing to \$20 million’.⁵³

- 3.53 The Queenscliff Community Association representative, Mr David Connoley, agreed that ‘heritage requires money’. He advised that, notwithstanding their inquiries, the association does not know the annual maintenance cost for Fort Queenscliff:

...in 1999 it was targeted as \$100,000 per annum. We asked Finance for an updated maintenance figure. We're still waiting. So, in terms of upkeep, demolition by neglect is a real concern for us.⁵⁴

- 3.54 Mr Mark Schweikert, Federal President of the Navy League of Australia, questioned the operating costs in relation to TS *Sheean* (formerly TS *Mersey*), which it leases to Defence at Devonport (Tasmania):

After the decision, which we had no idea was coming, was announced [on 4 February 2026], I went and actually spoke and sat down with [Security and Estate Group at Defence] and said: 'Why? It doesn't make any sense for us.' I'm not sure if I was being gaslit or if it was basic bad advice to SEG as well. I was told that the site is costing Defence over \$300,000 per annum in operational costs. Well, it's a lease site. We pay for that. So I don't understand where that's coming from. I've asked for a copy

⁵¹ RSL Australia, *Submission 36*, p. 8. Also see: Australian Strategic Policy Institute, *Submission 13*, p. 8; Ms Linda Gosling, Vice President, The Paddington Society, *Committee Hansard*, 8 May 2026, p. 11.

⁵² Lieutenant General Kenneth Gillespie (Rtd), private capacity, *Committee Hansard*, 18 May 2026, p. 22.

⁵³ The Paddington Society, answers to spoken questions on notice, 8 May 2026 (2 June 2026), p. 2

⁵⁴ Mr David Connoley, President, Queenscliff Community Association, *Committee Hansard*, 24 August 2026, p. 15. Also see: answers to spoken questions on notice, 24 August 2026 (received 25 August 2026), pp. 1–4.

of the receipts, and I'm still waiting. If I don't get it in the next couple of weeks, I'll make an FOI request.⁵⁵

- 3.55 Similarly, Captain Morgan said that 'seven out of seven Tasmanian [naval cadet] sites are on a very low or no-cost lease basis'. He noted that Defence receives much social licence from the sites but emphasised that the costs are largely borne by the local communities:

Looking at Training Ship Argonaut at St Helens, it's a small community. It relies on, primarily, the community to support that unit. Sure, Defence has an overview, an overlay, governance, uniforms and various things, but the cost there is a \$1-a-year lease to the council, who own the land. Break O'Day Council provided tens of thousands of dollars to help the project along when the most recent upgrades were done, including water and sewerage and those sorts of things. The council maintains the land around the buildings at no cost to the cadets. It provides a space big enough and with enough facilities for all the Navy cadets in Tasmania to gather for camps and flotilla activities, as we call them. There are other people in the community—the Lions Club, the Rotary Club, the chip shop, the RSL et cetera—all involved in supporting and helping that unit continue on that site. In terms of value, there is big bang for its buck in terms of that community.⁵⁶

- 3.56 Mr Matthew Garwood, Mayor of the City of Launceston, agreed that there is 'strong community support for Defence retaining an active presence in the region'. He said that 'we are seeing not just antisocial behaviour but disengagement from our youth right across the country', requiring local governments to find ways to engage young people:

If discipline isn't a real part of their upbringing and isn't a part of our community anymore, then where are we finding the engagement for some? ... We have got further and further pressures from our community around antisocial behaviour, around the cost of living and around homelessness and housing. We're working in a sector that was never set up to deal with these social impacts, but because we're the closest level of government to the community, we're finding pressures ... That's where we're looking at opportunities to continue to work with the defence forces and continue to work with engagement and how we can use the resources that we do have, though they are stretched. We see Defence as a huge part of that relationship with community and with council and finding opportunities for youth to find their place and to find their people. Their people might be in a sporting

⁵⁵ Mr Mark Schweikert, Federal President, Navy League of Australia, *Committee Hansard*, 4 May 2026, p. 29. Also see: p. 35.

⁵⁶ Captain Richard Morgan, Volunteer Officer and National Commander, Australian Navy Cadets, *Committee Hansard*, 27 August 2026, pp. 31 and 33. Also see: Rear Admiral Stephen Gilmore AM CSC, private capacity, *Committee Hansard*, 27 August 2026, p. 25.

club, in a theatre environment or working and learning through the Defence Force.⁵⁷

- 3.57 Ms Jane Carnegie, President of Save Westernport, gave evidence in relation to the sustainment costs for HMAS *Cerberus* (Crib Point, Victoria):

[The base has] said to me directly that it is not a huge cost. It is not a cost because it's basically pristine environmental land. The only costs that they have to deal with is having fire breaks within those environmental systems. They maintain those fire breaks. They also maintain the golf course ... So they're the only two main areas other than the actual defence base itself where they do their work and where they live. But for all of the surrounding environmental land there is minimal cost.⁵⁸

- 3.58 Returning to the site valuations, Ms Mason and Mr Miller advised that the Defence Estate Audit valuations have not been publicly released, as they are subject to due diligence processes being conducted by Finance. Finance echoed this response when the committee requested the department to provide remediation estimates for the divestment sites.⁵⁹
- 3.59 Specifically in relation to valuation methodology, Ms Mason stated that 'doing desktop valuations is a reasonably common practice' and would take several factors into account, such as heritage values and the potential uses for a site.⁶⁰

Departmental response

- 3.60 Consistent with the Defence Estate Audit, Finance submitted that 'the divestment program is designed to be budget neutral', with sale proceeds funding the cost of divestments and net proceeds reinvested into the strategic priorities identified in the Review: 'Finance will seek to balance achieving full market value with policy objectives through the divestment process'.⁶¹
- 3.61 In this regard, Recommendation 16 of the Defence Estate Audit specifically identified the need for a legislative amendment to ensure that any proceeds from divestments are reinvested in Defence priorities:

Recommendation 16. The *Defence Act 1903* be amended to empower the Minister for Defence to make estate decisions in the national interest.

⁵⁷ Mr Matthew Garwood, Mayor, City of Launceston, *Committee Hansard*, 27 August 2026, pp. 11 and 12–13.

⁵⁸ Ms Jane Carnegie, President, Save Westernport, *Committee Hansard*, 24 August 2026, p. 4.

⁵⁹ Finance, answers to written questions on notice, 11 May 2026 (received 26 May 2026), [p. 9]. Also see: Ms Jan Mason, private capacity, and Mr Jim Miller, private capacity, *Committee Hansard*, 4 May 2026, p. 10;

⁶⁰ Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, pp. 9–10. Also see: Department of Defence, second set of answers to questions on notice (received 18 June 2026), [p. 2], which advised that the site valuations were conducted by Jones Lang La Salle.

⁶¹ Finance, *Submission 38*, [p. 5].

The definition of Defence Purpose must include the imperative for the use of proceeds from divestments to go to other Defence purposes.

- 3.62 Defence representative Mr Peter West, First Assistant Secretary in the Estate Transformation Division at Defence, confirmed that the Defence Estate Audit considered cost benefit assessments, as did the department, including in its advice to government. Ms Perkins highlighted that the financial analysis is complex, including the interplay between sustainment and future costs:

...many of the sites are aged and degraded, and they cost more to sustain.
... The recommendations of the independent audit to government that we have analysed consider that interplay of future costs and sustainment over the next couple of decades as well as the current costs.⁶²

- 3.63 Defence subsequently clarified:

The independent Estate Audit estimated that Defence will reduce annual estate sustainment costs by approximately \$100 million per annum, resulting in an estimated \$2 billion in sustainment savings over the next 25 years.⁶³

- 3.64 Mr Libor Pelecky, First Assistant Secretary of the Property and Construction Division in the Commercial Group at Finance acknowledged that the net proceeds could be higher or lower than \$1.8 billion, with Finance not yet knowing when the divestment program will be cash-positive: 'we will know or we will have an estimate of when we think it will be cash-flow positive following the due diligence process'.⁶⁴
- 3.65 In addition, Mr Pelecky noted that any intra and inter-government property transfers could impact revenue, depending upon the terms of the arrangement (for example, if a purchase price were agreed).⁶⁵
- 3.66 Mr Pelecky provided some details of the private sector organisations engaged by Finance to assist with the divestment program (the contracts being worth about \$21.3 million), as well as a 25-person team at Finance. Defence took on

⁶² Mr Peter West, First Assistant Secretary, Estate Transformation Division, Defence, *Committee Hansard*, 4 May 2026, p. 51; Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2025, p. 51.

⁶³ Department of Defence, answers to written questions on notice (received 30 June 2026), [p. 1]. Also see: Department of Defence, answers to written questions on notice (received 30 June 2026), [p. 7], which sets out total annual expenditure for the Defence Estate over the past five years.

⁶⁴ Mr Libor Pelecky, First Assistant Secretary, Property and Construction Division, Commercial Group, Finance, *Committee Hansard*, 4 May 2026, pp. 45 and 55.

⁶⁵ Mr Libor Pelecky, First Assistant Secretary, Property and Construction Division, Commercial Group, Finance, *Committee Hansard*, 4 May 2026, p. 58. Also see: Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 13. Also see: Finance, answers to written questions on notice, 11 May 2026 (received 26 May 2026), [p. 10]; Department of Finance, answers to written questions on notice, 5 May 2026 (received 26 May 2026), [p. 1].

notice the precise number of staff originally allocated to its Estate Transformation Division and subsequently advised:

The Estate Transformation Division has an allocated average staffing level of 98 full-time equivalent Australian Public Servants, 28 of these positions are specifically designated as delivering the Defence Estate Audit. A further 22 have a significant focus on Estate Audit implementation in addition to broader Defence property management functions.⁶⁶

- 3.67 The committee attempted to analyse the financial assessments and estimates used by the Defence Estate Audit, Defence and Finance. To date, general and specific information has not been provided to the committee. For example, when asked for the difference in running costs for Victoria Barracks (Sydney), compared to Defence Plaza (Sydney), Defence took the 'specifics' on notice then responded:

Making public specific financial information, including running costs, for individual divestment sites would diminish the Commonwealth's commercial advantage when negotiating best market value for each site.⁶⁷

- 3.68 The committee notes the inadequacy of this response and the lack of evidence that it provides the committee in determining whether the Defence estate is being well managed and financial implications are being appropriately considered.

Heritage and environment protections

- 3.69 The Department of Climate Change, Energy, the Environment and Water (Environment) submitted:

The Defence Estate Audit identifies a number of properties with significant heritage values that reflect Australia's military history, broader national story, and, in some cases, important natural landscapes. These places hold enduring significance not only for their physical fabric, but also for the connections that veterans, serving personnel and the wider community maintain with the places.⁶⁸

- 3.70 The EPBC Act protects a wide range of heritage places and values, including places on the World Heritage (WH) List, the National Heritage (NH) List and the Commonwealth Heritage (CH) List. The CH List recognises places that are

⁶⁶ Defence, answers to written questions on notice (received 30 June 2026), [p. 1]. Also: Defence, answer to written questions on notice, (received 21 May 2026), [p. 1].

⁶⁷ Defence, answers to spoken questions on notice from Senator Collins, 4 May 2026 (received 25 May 2026), [p. 3].

⁶⁸ Department of Climate Change, Energy, the Environment and Water (Environment), *Submission 23*, p. 3.

owned or controlled by the Commonwealth, and which have significant heritage value and meet a local heritage threshold at minimum.⁶⁹

3.71 According to Environment, the Australian Government has agreed to divest 18 properties that have listed heritage values; sixteen properties are on the CH List and two (leased) properties are on the WH List and the NH List. The department noted that some properties form part of larger heritage listings, while other properties have multiple heritage listings.⁷⁰

3.72 The CH-listed properties include the whole or part Victoria Barracks at Melbourne, Sydney and Brisbane, the Repatriation Commission Outpatients Clinic (Melbourne), the Lancer Barracks (Parramatta, Sydney), HMAS *Penguin* (Mosman, Sydney), Fort Queenscliff (Victoria) and RAAF Base Williams (Point Cook, Victoria).

3.73 Environment advised that most of the heritage listings of Defence estate assets have 'historic heritage significance', meaning that the heritage values primarily relate to buildings and other infrastructure associated with their military use and the military's role in shaping Australia's history:

The age of the heritage assets range from colonial era to contemporary and reflect military use and occupation during the major conflicts in Australia's history. The heritage listings include all three services of the Australian Defence Force and many of the heritage listings reflect the importance that these places have to past and serving military personnel. While these heritage listings are primarily associated with military use, they also reflect broader themes in Australia's history, including technological changes and advancements, the increasing participation of women in the workforce, and evolving attitudes to mental health treatment. The condition of the heritage assets ranges from well-preserved and maintained to very poor condition and requiring demolition.⁷¹

3.74 Environment submitted that there are also Defence sites proposed for divestment that include natural heritage values (landscapes, ecosystems, biodiversity, geological features and natural processes), for which it does not have current information on the condition or integrity of the properties.

⁶⁹ Environment, *Submission 23*, p. 4. Note: the heritage values of the environment on Commonwealth land are also protected.

⁷⁰ Environment, *Submission 23*, Table 1 and pp. 5 and 9–11. Note: the department has limited information in relation to the 16 Commonwealth Heritage-listed sites that it submitted are highly likely to have Indigenous heritage values. Also see: Colonel Ross Byrne RFD (Rtd), *Submission 49*, p. 21, who advised that two-thirds of one site—Fort Direction (Tasmania)—is subject to Aboriginal heritage.

⁷¹ Environment, *Submission 23*, p. 5.

These CH-listed places include HMAS Cerberus (Victoria) and Swan Island (Victoria).⁷²

Defence as a heritage custodian

3.75 Under the EPBC Act, Commonwealth agencies that own or control heritage-listed places have obligations to ensure best practice heritage management while the Commonwealth is the custodian. Environment summarised:

The obligations include the preparation of an agency-wide Heritage Strategy, Heritage Management Plans for each listed place and divestment requirements. Commonwealth agencies are also required to follow the heritage management principles outlined in the EPBC Act.⁷³

3.76 Participants in the inquiry, including organisations with extensive experience in managing complex historic places, expressed different views on Defence's performance as a heritage custodian. Some participants considered that Defence is the best steward for historic heritage associated with the military, while others voiced concerns about how Defence has managed certain heritage-listed Defence sites.

3.77 The National Trust of Australia (NSW) commented in relation to Victoria Barracks (Sydney):

...the National Trust believes that Defence, as part of the Australian Government, is indeed probably the best qualified and resourced organisation to preserve its history and heritage. The present wonderful condition of Victoria Barracks is testament to the ongoing care of the site by Defence over many years.⁷⁴

3.78 RSL Australia's Mr Tinley concurred and highlighted two examples of former Defence sites that became derelict following their divestment from the Defence estate: North Head (Sydney) and the Officer Cadet School (Portsea (Victoria)).⁷⁵

3.79 Major General Paul Irving AM PSM RFD (Rtd), President of RUSI, agreed that there may be other stewardship options but 'the best way to maintain those facilities is actually having members of the Australian Defence Force parading

⁷² Environment, *Submission 23*, pp. 5 and 10. Note: the Queenscliff Golf Club as occupant has expressed its interest in purchasing the Swan Island (golf course) site: Mr Brad Teal OAM, President, Queenscliff Golf Club, *Committee Hansard*, 24 August 2026, p. 18.

⁷³ Environment, *Submission 23*, p. 5. Also see: Environment, 'Managing National Heritage Places', www.dcceew.gov.au/parks-heritage/heritage/about/national/managing-national-heritage-places (accessed 28 August 2026).

⁷⁴ National Trust of Australia (NSW), answers to written questions on notice, 14 May 2026 (received 29 May 2026), p. 2.

⁷⁵ The Hon Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 8 May 2026, p. 17.

and working there'.⁷⁶ Fort Queenscliff Heritage Association representatives agreed that not having staff onsite affects the cost of maintenance and ability to maintain infrastructure.⁷⁷

- 3.80 More broadly, the Australian Council of National Trusts and the National Trust of Australia (Victoria) argued that Defence has not demonstrated best practice heritage management:

The Defence Estate Audit (Delivering the Future Estate, 2025) indicates that heritage management within the Department of Defence does not take a holistic and strategic approach and is limited to minimum statutory compliance. There is a lack of internal heritage expertise that is essential for successful heritage asset management, and as a result, heritage considerations are not rigorously, consistently and efficaciously embedded within estate management processes.⁷⁸

- 3.81 The Australian Council of National Trusts submitted that current practices have resulted in asset deterioration and underutilisation, which, it suggested, would have been preventable with heritage-informed policy, forward planning and actions: 'This lack of fundamental and consistent asset management across a large portfolio is disappointing'.⁷⁹

- 3.82 By way of illustration, Dr Marmion from the Fort Queenscliff Heritage Association told the inquiry that the 1888 Signal Station at Fort Queenscliff had been allowed to deteriorate (Figure 3.1) and preceding divestment of the site, \$1.4 million funding for restoration works had been withdrawn.

We're ... concerned about the current state of some of the assets in the fort, for example, the 1888 signal station. Originally, Defence allocated \$1.4 million for the restoration of the project and then withdrew that funding. At the [community consultation session] Richard Marles and Ms Libby Coker ... said that the funding would be reallocated. Quite frankly, we did not believe them, so we asked them to put it in writing. They then reneged ... At the moment, the signal station is falling

⁷⁶ Major General Paul Irving AM PSM RFD (Rtd), President, Royal United Services Institute for Defence and Security Studies–Australia, *Committee Hansard*, 4 May 2026, p. 23. Also see: Aviation Historical Society of Australia, answers to written questions on notice, 21 May 2026 (received 4 June 2026), [p. 3]; Brigadier Kevin O'Brien (Rtd), private capacity, *Committee Hansard*, 8 May 2026, p. 22, who said 'the only way to look after heritage sites is to use them'.

⁷⁷ Dr Bob Marmion, Secretary, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 11, and Mr Andrew Dagg, Treasurer, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 11.

⁷⁸ Australian Council of National Trusts, *Submission 28*, p. 2; National Trust of Australia (Victoria), *Submission 27*, pp. 1–2.

⁷⁹ Australian Council of National Trusts, *Submission 28*, p. 4. Also see: Ms Collette Brennan, Chief Executive Officer, National Trust of Australia (Victoria), *Committee Hansard*, 18 May 2026, p. 9.

down ... That's just one example of the lack of asset maintenance that's happening under Defence at the moment.⁸⁰

Figure 3.1 Signal Station, Fort Queenscliff, Queenscliff, Victoria



Source: committee secretariat

- 3.83 The Australian Strategic Policy Institute remarked that the Defence Estate Audit frames heritage as a genuine value and sometimes, as a constraint. Its submission called for heritage considerations to be embedded in an evaluation framework and assessed before the making of a disposal decision:

The framework should treat heritage as one of the core weighted criteria alongside strategic, environmental, economic and social considerations, rather than as an issue to be managed late in the divestment process ... This would move heritage from being a reactive compliance exercise to an early decision variable, helping distinguish between sites where disposal is appropriate, sites where partial retention or adaptive reuse is preferable, and sites where continued Commonwealth control remains the better long-term option ... This approach would be more consistent with both the legal heritage framework and the Government's stated commitment to preserve and enhance public access to historically significant Defence places.⁸¹

⁸⁰ Dr Bob Marmion, Secretary, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 8.

⁸¹ Australian Strategic Policy Institute, *Submission 13*, pp. 11–12. Also see: Colonel Andrew Kirby, President, RUSI (Queensland), *Committee Hansard*, 4 May 2026, p. 23, who said that state/territory government heritage protection models should be explored 'before we get to the point of transition or point of sale'.

- 3.84 The Australian Council of National Trusts and the National Trust of Australia (Victoria) maintained that ‘heritage is not a barrier to effective asset management, divestment, or development’. Instead, when properly integrated into a portfolio-wide management system, heritage can enhance sustainability, decision-making and long-term capability outcomes:

With early collaboration and clear planning, the announced program of Defence Estate divestments can be delivered in a way that ensures protection of important heritage sites, respects Defence culture and service, and helps Australians better understand the role these places have played in our national story.⁸²

- 3.85 The Australian Council of National Trusts and the National Trust of Australia (Victoria) presented carefully formulated measures that they considered would improve Defence’s ability to manage heritage within the Defence estate:

1. **Establish a divestment taskforce embedded with multidisciplinary heritage expertise**, to ensure that the process generates the highest quality outcomes including best-practice heritage activation, community benefit and financial return.
2. **Establish a dedicated heritage unit** in the Defence Estate team that is funded and staffed by qualified heritage professionals to undertake a comprehensive assessment of heritage values across the Estate (local, state, and Commonwealth), who provide strategic and statutory guidance for built and landscape heritage and collections, and implement consistent policies for management, maintenance, monitoring, and divestment.
3. **Implement significantly improved asset management processes in parallel with divestment**, ensuring systemic issues are addressed rather than perpetuated, and assets represent excellent heritage management as a core practice — key to any future divestment activity.
4. **Revise divestment policy frameworks** to enable consideration of options for best public and community uses of surplus Defence land, including through partnerships with local and state government agencies.
5. **Adopt a careful, site-by-site approach** that considers heritage from the outset of any divestment process, including whether state or local heritage protections are appropriate, and ensuring that heritage values are clearly identified, protected and well managed.⁸³

⁸² Australian Council of National Trusts, *Submission 28*, p. 2; National Trust of Australia (Victoria), *Submission 27*, pp. 1–2.

⁸³ Australian Council of National Trusts, *Submission 28*, pp. 2–3. Also see: National Trust of Australia (Victoria), *Submission 27*, p. 2; National Trust of Australia (Victoria), answers to written questions on notice, 21 May 2026 (received 4 June 2026), pp 2–3, which proposed the creation of a federal Department of Heritage.

- 3.86 Ms Jill L'Estrange, President of the Headland Preservation Group, did not speculate on how Defence (or Finance) might better approach heritage management, suggesting that this was not consistent with the departments' objectives in implementation of the audit recommendations:

...maybe Defence or the Department of Finance isn't pretending to even keep any of the heritage values of the land, because if you did keep the heritage values of the land, and if you followed the procedures under the EPBC Act and the minister put a covenant on the title, I can't imagine that a developer would be interested in buying a [six]-hectare angophora forest and turning it into a parkland for no return and then having to adaptively reuse the other buildings on the site. However, if it is sold to a developer or the New South Wales state government, there's nothing to stop that land being rezoned for whatever high-rise luxury accommodation.⁸⁴

Figure 3.2 View to Balmoral Beach, HMAS Penguin, Mosman, Sydney



Source: committee secretariat

Living heritage

- 3.87 Several submitters and witnesses queried Environment's interpretation of 'historic heritage significance'. They argued that non-physical or 'living' heritage should also be protected in the Defence estate, and inquiry participants

⁸⁴ Ms Jill L'Estrange, President, Headland Preservation Group, *Committee Hansard*, 8 May 2026, p. 12. Also see: Save Westernport, *Submission 187*, pp. 6–7, which noted that the Defence Estate Audit perceived heritage as a 'burden'.

described permanent forces, veterans, reservists and cadets' profound connection to specific divestment sites.⁸⁵

- 3.88 The Navy League of Australia submitted that contemporary heritage practice recognises that, beyond physical constructions, the enduring value of a place is shaped by its continuous use, the activities it has supported, and its role in community identity:

TS *Sheean* has built a distinguished and enduring presence within the Devonport community. Over decades of continuous operation, the unit has accumulated a remarkable record of achievement, reflected in the many awards, trophies and formal recognitions earned by its cadets and staff. This sustained pattern of service, accomplishment and community engagement forms what heritage practitioners describe as living heritage: the ongoing traditions, values and contributions that give a place meaning far beyond its physical structures.⁸⁶

- 3.89 Similarly, and as discussed by The Paddington Society, the Werribee District Historical Society concurred that there is a symbiosis between the physical and social heritage of a place, in its case RAAF Base Williams (Point Cook, Victoria):

...the hangars, the parade ground, the Commander's house, and the Sergeant's Mess are not just bricks and mortar—they are the vessels for the stories of those who lived and served there ... To preserve the buildings without acknowledging the human experience—the training of personnel who fought for our country, or the service of the [Women's Royal Australian Air Force]—is to preserve a shell without a soul ... The social history of the City of Wyndham is anchored by these physical landmarks. The development of the Shire of Werribee was built alongside the RAAF; from housing and shared medical facilities to the cultural exchange of theatre and cinema on base, the community and the military grew as one.⁸⁷

- 3.90 Returning to the example of TS *Sheean*, the Navy League of Australia emphasised that the name 'Teddy Sheean' has profound meaning for the Tasmanian community, the Royal Australian Navy and the Australian Navy Cadets, and the site at Devonport stands as a living memorial to his legacy:

...the Government's plan to divest the TS *Sheean* property is deeply disappointing. It risks being perceived as disrespectful, not only to Teddy Sheean and his family, but also to the cadets who bear his name and to the wider Tasmanian veteran community that holds his story as a source of pride and identity ... [A]ny consideration of divestment must recognise the symbolic, cultural and moral significance of TS *Sheean*. This is not simply

⁸⁵ See, for example: Australian National Veterans Arts Museum, *Submission 43*, p. 5 (Repatriation Commission Outpatient Clinic, Melbourne, Victoria); The Hon Mr Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 4 May 2026, p. 20.

⁸⁶ Navy League of Australia, *Submission 20*, p. 6. Also see: The Hon Mr Peter Tinley AM, National President, RSL Australia, *Committee Hansard*, 8 May 2026, p. 17.

⁸⁷ Werribee District Historical Society, *Submission 21*, [p. 1]. Also see: Werribee District Historical Society, answers to written questions on notice, 21 May 2028 (received 27 May 2026), [p. 1].

a parcel of land - it is a place of remembrance, mentorship, and continuity, a cornerstone of Tasmania's maritime and Defence heritage.⁸⁸

- 3.91 Mr David Chaplin described his life-long connection with RAAF Base Williams (Point Cook, Victoria): 'It is the home of the Air Force itself ... Nearly everyone who has served in the Air Force ends up going there to see how the Air Force started ... It's very close to most people's heart'.⁸⁹
- 3.92 Similarly, the NSW Lancers' Memorial Museum gave evidence that the Parade Ground at Lancer Barracks (Parramatta, Sydney) is 'sacred ground to our veterans', with the scattered ashes of at least 12 Lancers thereon.⁹⁰

Figure 3.3 Lancer Barracks' Parade Ground and Memorial, Parramatta, NSW



Source: New South Wales Lancers' Memorial Museum, Submission 5, p. 1.

- 3.93 The Air Force Association highlighted the significant memorials at RAAF Base Williams (Point Cook, Victoria) and advised:

These memorials were purposefully dedicated at Point Cook in recognition of that site as the spiritual home of the RAAF. Indeed, Australia's first military aviation commitments to both the first and second world wars deployed from Point Cook, with their stories becoming legend. The RAAF's character, culture, and identity are deeply rooted in the foundations of Point Cook.⁹¹

- 3.94 It was noted at RAAF Base Point Cook that, in addition to being the spiritual home of the Royal Australian Air Force, the ashes of veterans have been scattered on the parade ground and several military aviators have died on site.

⁸⁸ Navy League of Australia, *Submission 20*, p. 5.

⁸⁹ Mr David Chaplin, private capacity, *Committee Hansard*, 18 May 2026, p. 4.

⁹⁰ NSW Lancers' Memorial Museum, answers to written questions on notice, 11 May 2026 (received 18 May 2026), p. 3. Also see: Defence, answers to written questions on notice (received 30 June 2026), [p. 11], which stated 'Defence is aware of the memorial use of the Lancer Barracks Parade Ground'.

⁹¹ Air Force Association, *Submission 43*, p. 3. Also see: Mr John Bushell, State President (Queensland Division), Air Force Association, *Committee Hansard*, 18 May 2026, p. 3.

- 3.95 At Budget Estimates 2026–27, Defence was specifically asked about the loss of parade grounds and messes which are an important part of military tradition. Departmental representative Ms Perkins was unable to fully answer the question but indicated:

I'd be very happy to take on notice, of those [divestment] sites, the number of parade grounds and messes. The number of messes will greatly exceed 67. Many sites have more than one mess.⁹²

- 3.96 Many inquiry participants advised that the history of a site cannot be picked up and relocated elsewhere; they are connected to the site, and therefore the identity and history of units is irreplicable elsewhere. Losing connection to identity and history will not only affect the morale of the troops but the passing on of knowledge about the unit, which is always taught as a matter of priority to new recruits, helping them to understand their purpose as a member of that unit, and the unit's purpose as an asset in the ADF.⁹³
- 3.97 The committee acknowledges that many of the sites to be divested are not just a physical memorial but a living memory that will fade if left vacant, as occurred at the School of Artillery (North Head, Manly, Sydney).

Figure 3.4 School of Artillery, North Head, Manly, NSW, 1957



Source: Northern Beaches Council Library Local Studies

⁹² Ms Celia Perkins, Deputy Secretary, Security and Estate Group, Defence, *Estimates Hansard*, Budget Estimates 2026–27, 3 June 2026, p. 90.

⁹³ See, for example: Captain David Field, 203 Army Cadet Unit, Lancer Barracks, *Committee Hansard*, 8 May 2026, p. 17.

Departmental response

- 3.98 In the Ministerial Foreword to the Defence Estate Audit, the Defence Ministers acknowledged the historical and personal significance of many Defence sites: ‘These places are reminders of Australia’s military heritage and the sacrifices made in the service of our nation’.⁹⁴

Figure 3.5 Dedicated Memorial, Fort Queenscliff, Queenscliff, Victoria



Source: committee secretariat

- 3.99 Similarly, in the Defence Foreword, the then Chief of the Defence Force, Admiral David Johnston AC RAN, and the then Chiefs of Navy, Army and Air Force acknowledged the importance of the Defence estate to ‘our people and their families’:

The Defence estate is not only a critical asset to our national security, it is a core part of our community. We acknowledge the deep connection that our people and their families, both current and former serving, have with the establishments on which they live, work and train. Divestment of sites identified in the Defence Estate Audit will occur in a manner that is sensitive to our people and their families, and to the organisations and community who support us.⁹⁵

- 3.100 Defence acknowledged that ‘many Defence sites have served Australians proudly, hold great sentimental value, and serve as a reminder of our past sacrifices and achievements’.⁹⁶ In evidence, Defence representative Ms Perkins was ‘moved’ by the evidence of veterans who have chosen to have their ashes scattered on the parade ground at Lancer Barracks. However:

⁹⁴ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 3.

⁹⁵ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 5.

⁹⁶ Defence, answers to written questions on notice (received 18 June 2026), [p. 5].

...the government's decisions around the divestments and realigning the estate to the future strategic needs of Australia is the task that's been given to me to implement.⁹⁷

Significant impact on the environment

3.101 Environment submitted that, in addition to heritage-listed places and values, the EPBC Act requires that any action that has, will have or is likely to have a significant impact on certain 'matters of national environmental significance' must be referred to the Minister for the Environment for assessment.⁹⁸

3.102 Sections 26–28 of the EPBC Act apply the same referral requirements to CH-listed places, including for actions taken by any person on or outside of Commonwealth land that is likely to have a significant impact on the environment of that land. Environment noted:

An "action" is defined broadly in the EPBC Act and includes: a project, development, undertaking, activity or series of activities, or an alteration of any of these things. An action can include the sale or lease of land. Impacts can be direct or indirect, and can include facilitated impacts, i.e. those impacts which result from further actions (including actions by third parties) which are made possible or facilitated by the action. A significant impact, whether direct or indirect, is one that is important, notable, or of consequence with regard to its context or intensity. For actions on or impacting on Commonwealth land or for actions taken by a Commonwealth agency, impacts on the whole of environment as defined in section 528 of the EPBC Act, including all heritage values must be considered.⁹⁹

Impacts of divestment

3.103 Environment submitted that the EPBC Act provides a robust statutory framework to manage risks associated with the Commonwealth's divestment of heritage assets:

The heritage provisions establish clear obligations for Commonwealth agencies prior to divestment, including notifying the Minister for the Environment, the use of contractual mechanisms such as covenants, and the preparation and implementation of Heritage Management Plans. Where these requirements are met and due diligence is undertaken, they are effective measures to support the continued conservation of heritage values during and following the transfer of heritage places out of Commonwealth ownership. Conversely, failure to apply these measures exposes divested places to significant risk, particularly once Commonwealth Heritage List

⁹⁷ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 62.

⁹⁸ Environment, *Submission 23*, p. 7. Note: three examples of matters of national environmental significance include: wetlands of international importance (listed under the Ramsar Convention), listed threatened species and ecological communities, and listed migratory species (listed under international agreements).

⁹⁹ Environment, *Submission 23*, pp. 7–8.

protections are removed ... Without heritage protections in place, former Commonwealth Heritage places are at risk of alteration, demolition and expansive development that may be incompatible with their heritage values. These risks may result in permanent and irreplaceable loss of places of significance to Australians including the veteran community.¹⁰⁰

3.104 Environment noted that the EPBC Act provides similar requirements for the divestment of Commonwealth land containing registered critical habitat for a listed species or listed threatened ecological communities. The department was not aware whether the 67 Defence sites contain any registered critical habitat: '[that] will need to be part of Defence and Finance's due diligence process'.¹⁰¹

3.105 Environment assured the committee that the department is working with Defence and Finance regarding the requirements of the EPBC Act, as they relate to the protection of Commonwealth heritage values and more generally, to potential impacts on matters of national environmental significance, including threatened species and communities, and the whole of environment on Commonwealth land.¹⁰²

Heritage and environment concerns

3.106 Many inquiry participants expressed concerns about the protection of historic heritage, natural heritage and Indigenous heritage values on CH-listed Defence sites, as well as potential environmental impacts at specific properties.

3.107 Broadly, the National Trust of Australia (NSW) expressed grave concern that the divestment of important elements of the National Estate will represent 'an irretrievable loss to the history of Australia' that 'disinherits' future generations. In particular:

We cannot stress strongly enough the importance of [Victoria Barracks (Sydney)] to Australia's heritage. A substantial part of its significance lies in both its rich military history and its continuing role as an active military facility. Just as the UK Government would never entertain selling off Sandhurst, or the US Government selling West Point, the Australian Government must not consider selling Sydney's Victoria Barracks.¹⁰³

¹⁰⁰ Environment, *Submission 23*, pp. 3 and 8.

¹⁰¹ Environment, *Submission 23*, p. 6.

¹⁰² Environment, answers to spoken questions on notice, 4 May 2026 (received 15 June 2026), [p. 1].

¹⁰³ National Trust of Australia (NSW), *Submission 24*, p. 1. Also see: Position Paper, p. 6; Ms Linda Gosling, Vice President, Paddington Society, *Committee Hansard*, 8 May 2026, p. 9, who described the Australian Government's decision as 'profoundly unpopular'; Lieutenant Colonel Phillip Pyke (Rtd), private capacity, *Committee Hansard*, 27 August 2026, p. 16, who noted that Victoria Barracks (Sydney) is the 'spiritual home of the Army).

3.108 Ms Allegra Spender MP, the Federal Member for Wentworth in which Victoria Barracks (Sydney) is situated, advised that she has widely consulted on the divestment of that site:

...the almost universal piece of feedback I have received is that a majority of Victoria Barracks, particularly the heritage sandstone buildings and parade grounds, should remain in public hands.¹⁰⁴

3.109 Ms Spender noted that Victoria Barracks (Sydney) has 12 separate CH listings under the EPBC Act and currently provides for Headquarters Forces Command, the Australian Army Band Sydney, the Army Museum of New South Wales, live-in accommodation, and cadet training facilities. Ms Spender advised:

There is a genuine fear within the community that heritage sites of this kind, once disposed of, cannot be recovered. This potential loss is as tangible as it is symbolic; for those in my community who appreciate the site's physical architecture, there is an inherent risk that private redevelopment may alter or diminish the historical aspects of both the existing sandstone buildings as well as the surrounding area.

Equally, for those intimately involved in our military and veteran community, the Barracks is a link to previous generations of Australians who have served and the sacrifices that those individuals made – it is part of our national story. For them, disposal of the site becomes a question of how much value the Government places in preserving one of our oldest physical embodiments of that service and sacrifice.¹⁰⁵

3.110 The Paddington Society, whose members work and reside in the suburbs adjoining Victoria Barracks (Sydney), argued:

In scale, architectural and landscape qualities, the Barracks precinct still maintains a very strong "townscape" connection with the modest low-rise but very dense residential, civic and commercial character of the surrounding precincts in both south and north Paddington. The ongoing military presence has long been celebrated in the community ... We are [alarmed] at the prospect of the potential divestment and disposal of this highly significant asset and the Australian Army possibly leaving Victoria Barracks, with the prospect of inappropriate development as a possible outcome, in order to maximise site sale and private developer profit.¹⁰⁶

3.111 Putting Victoria Barracks (Sydney) aside, communities and individuals throughout Australia provided submissions and evidence to the inquiry, universally condemning the divestment of other Defence sites on a commercial

¹⁰⁴ Ms Allegra Spender MP, *Submission 80*, [p. 1].

¹⁰⁵ Ms Allegra Spender MP, *Submission 80*, [p. 2].

¹⁰⁶ The Paddington Society, *Submission 8*, [p. 1], which argued that Defence has an obligation of ongoing stewardship for Victoria Barracks (Sydney) and that, if divestment proceeds, there should be a comprehensive peer-reviewed Conservation Heritage Study and Management Plan.

basis and at the expense of heritage and environmental protections, as well as community connection.

- 3.112 Ms Lisa Heinrichs, President of the Werribee District Historical Society, highlighted that RAAF Base Williams (Point Cook, Victoria) adjoins an internationally significant wetland listed under the Ramsar Convention (a matter of national environmental significance). Ms Heinrichs argued that decision-making must consider this broader ecological connection:

I don't know how well aware people are of the base and the geography of the Wyndham area. Essentially, it sits on basalt plains. The actual airfield itself sits below sea level. The ecosystem along there is quite spectacular. It's a Ramsar site. Just down the road, so to speak, is the [Western Treatment Plant], which has birdlife second only to Kakadu in the world. That is part of that shoreline. As a child, I would go with my grandfather fishing off the jetty, or pier, at the base down there. It was public access. It was a working Air Force base that welcomed community in all aspects, especially environmental. I took my own kids down there for barbecues and picnics. We'd sit and watch the planes or sit down by the water. You can stroll along the shore down to the Point Cook Coastal Park, which is a designated environmental area, and a little bit further down from that is the bird sanctuary and the Point Cook Homestead.¹⁰⁷

- 3.113 Save Westernport advised that HMAS *Cerberus*, located across Port Phillip Bay, is a 'biodiversity hotspot with some of the only remnant pre-colonisation bushland left on the Mornington Peninsula'. Although it has significant environmental values, Save Westernport argued that the 'narrow' Defence Estate Audit terms of reference did not allow for environmental considerations:

The [terms of reference] focus on whether current defence assets address Australia's future defence strategy ... Given this lens, the consultant's approach was predetermined, meaning that other factors were not considered ... The most damning omission ... was any consideration of the value of these sites from an environmental, conservation and national estate perspective. Given the size and variation in the land holdings across Australia it seems extraordinary that environment and biodiversity was not a [term of reference] or even mentioned once in the Report.

Save Westernport believes this very narrow lens means the Audit was inadequate; a much wider investigation/audit is needed that addresses the environmental value of this national defence estate (which belongs to the people of Australia), before the process of divestment continues ... The other key omission from the Audit terms of reference is the significance of these defence sites to our Indigenous peoples ... The lens of Indigenous connection to these sites is essential.¹⁰⁸

¹⁰⁷ Ms Lisa Heinrichs, President, Werribee District Historical Society, *Committee Hansard*, 18 May 2026, p. 17.

¹⁰⁸ Save Westernport, *Submission 187*, pp. 5–6. Also see: Ms Jane Carnegie, President, Save Westernport, *Committee Hansard*, 24 August 2026, p. 5.

3.114 In another example, inquiry participants addressed the partial divestment of HMAS *Penguin* (Mosman, Sydney). While acknowledging that the sale of some Defence sites could help to offset ever-increasing Defence expenditure, the Mosman Parks & Bushland Association stated:

HMAS *Penguin* is not suitable for divestment. The HMAS *Penguin* site which includes the Angophora Forest is a Nationally significant site, located on the foreshores of Sydney Harbour. It must remain as public land in perpetuity. It should not be sold[.]¹⁰⁹

Figure 3.6 Angophora Forest, HMAS Penguin, Mosman, Sydney, NSW



Source: Mr Thomas Sherlock, Submission 132, p. 5.

3.115 The Mosman Parks & Bushland Association argued that the partial sale and redevelopment of the HMAS *Penguin* site would significantly affect its rare and ecologically sensitive Angophora Forest:

The importance of this bushland corridor has been publicly recognised for decades. During the 1980s proposed development pressures were unsuccessful as the site was deemed an environmentally significant part of a functioning ecological network along Sydney Harbour, supporting high native species diversity providing habitat for threatened fauna including the Powerful Owl and the Grey-headed Flying Fox ... The disposal may trigger obligations under [the EPBC Act] ... [T]he Commonwealth must uphold its environmental responsibilities to protect it.¹¹⁰

¹⁰⁹ Mosman Parks & Bushland Association, *Submission 18*, p. 1. Also see: Headland Preservation Group, *Submission 56*, p. 2.

¹¹⁰ Mosman Parks & Bushland Association, *Submission 18*, pp. 2–3. Also see: Headland Preservation Group, *Submission 56*, p. 11. Also see: Mr David Connoley, President, Queenscliff Community Association, *Committee Hansard*, 24 August 2026, pp. 13–14, who raised identical concerns that the divestment of Fort Queenscliff (Victoria) constitutes a controlled action under the EPBC Act.

3.116 Mosman Council concurred that HMAS *Penguin* is a site of national and strategic importance that should not be divested:

In a harbour city such as Sydney, where open foreshore land is limited, disposal would result in the permanent loss of public access, environmental and heritage values, and strategically significant assets. Once redeveloped, these sites cannot realistically be recovered for future Defence, community or environmental use ... In today's uncertain geopolitical environment, strategically located harbour-adjacent Defence land warrants careful consideration. With future needs difficult to predict, retaining sites like this is a prudent safeguard.¹¹¹

3.117 As discussed earlier in this chapter, inquiry participants argued that, if not fully retained by the Commonwealth, the part of HMAS *Penguin* to be divested should be transferred to an appropriate public authority, such as the Harbour Trust. As succinctly stated by the Mosman Parks & Bushland Association:

HMAS *Penguin* is part of Sydney Harbour's shared legacy. It is not surplus land – it is a community, environmental and cultural asset. Rather than selling the site, the Government should transfer HMAS *Penguin* into public stewardship, the Sydney Harbour Federation Trust. This model has been applied successfully to other former defence sites around Sydney Harbour.¹¹²

3.118 In closing, the Headland Preservation Group noted that the Australian Government has thrice proposed divestment of the HMAS *Penguin* site (1988-1989; 1996; 2023), the first two of which were unsuccessful. Its submission cited a 2021 speech in Parliament by then Leader of the Opposition, Anthony Albanese MP:

Whilst it's true that very few people can afford to live with harbour views, the truth is everyone can enjoy harbour views and can enjoy the amenity around Sydney Harbour because of that access, which is why it's so important that this national parliament continue to do what previous generations have done, which is to protect harbour foreshores. There are attempts from time to time to undermine that to essentially have Sydney Harbour and its beautiful assets ... for sale. That would, I think, be a very retrograde step, because, if we get it wrong once, it disappears forever, which is why it is so important.¹¹³

¹¹¹ Mosman Council, *Submission 11*, [p. 1].

¹¹² Mosman Parks & Bushland Association, *Submission 18*, p. 4. Also see: Mosman Council, *Submission 11*, [p. 1]; Headland Preservation Group, *Submission 56*, p. 8.

¹¹³ Mr Anthony Albanese MP, Leader of the Opposition, *House Hansard*, 1 June 2021, p. 5171. Also see: National Trust of Australia (NSW), *Submission 24*, p. 2, which highlighted that, on a bi-partisan basis, former Prime Ministers of Australia have spoken against the divestment of Victoria Barracks (Sydney).

Delisting CH-listed places

3.119 The EPBC Act sets out certain requirements for a place to be included on the CH List, including that it must be in a 'Commonwealth area' owned or leased by the Commonwealth and have 'Commonwealth heritage value'.¹¹⁴ Environment submitted:

If divestment renders the previously listed place ineligible for inclusion in the [CH List, CHL], the Minister for the Environment must remove the place from the CHL as per s341L of the EPBC Act ... If the divestment of all the identified properties in the Defence Estate Audit proceeds to private entities and [are] not leased back by the Commonwealth, and therefore not in a Commonwealth area, the Minister for the Environment would be required to delist 33 CHL places and partially delist five CHL places [noting that some Defence sites have multiple heritage listings].¹¹⁵

3.120 Some stakeholders voiced concerns in relation to heritage protections for Defence sites following their divestment from the Defence estate. The National Trust of Australia (NSW) submitted, for example:

...once these places are sold by the Commonwealth Government they will not have any adequate heritage protections. This is of major concern to the National Trust. For example, Victoria Barracks, which has no less than 12 separate Commonwealth Heritage Listings on the one site, is not currently listed on the NSW State Heritage Register. Its divestment will mean that the adjacent Paddington Post Office will have more heritage protection than one of the most important heritage sites in the whole of Australia.¹¹⁶

3.121 The Headland Preservation Group commented that HMAS *Penguin* (Mosman, Sydney) forms part of the historic defence installations at Georges Heights and Middle Head, which exemplify the area's strategic role in the growth of Sydney, the Colony of NSW and Australia under imperial, colonial and Australian Government policies:

...[I]f HMAS *Penguin* is transferred to the State or a private owner the existing heritage and environment protections of the Commonwealth Heritage Listing will no longer apply. Once the site is transferred, the responsibility for protecting heritage values shifts to the relevant State jurisdiction's legislative and planning frameworks. There is no guarantee that the State will list the site as being of heritage and environmental significance and the land occupying prime position on

¹¹⁴ *Environment Protection and Biodiversity Conservation Act 1999*, s. 525 ('Commonwealth area') and s. 341D ('Commonwealth heritage value').

¹¹⁵ Environment, *Submission 23*, pp. 6–7. Note: a World Heritage listed property or National Heritage listed place is not required to be delisted on divestment.

¹¹⁶ National Trust of Australia (NSW), *Submission 24*, p. 2.

Balmoral slopes would most likely be rezoned for residential development.¹¹⁷

- 3.122 Mr Robert Curran observed that Spectacle Island (Sydney) is not well-known, as it has been inaccessible since the 1860s. However, he argued that divestment will require the addition of the site to the NSW State Heritage Register and heritage covenants:

It is one of Sydney harbour's heritage gems, an isolated, tightly packed group of well-constructed and reasonably well-maintained buildings almost all predating the 1920s. A Commonwealth-listed heritage place, it served successively as a NSW colonial government powder magazine, a Royal Navy armament depot, a Royal Australian Navy armament depot, a naval heritage collection repository and a naval reserve cadet unit, TS Sydney. In the most recent heritage management plan for the Island, in 2013, the Island was assessed thus:

"The place has significant heritage values meeting the Commonwealth Heritage threshold at an exceptional level. The assessment indicates that the whole site has potential National Heritage values which would be the subject of a future assessment. The island as a whole is ranked as Exceptional ... with outstanding values to the nation".

Spectacle Island needs to find another use in an ownership that respects and maintains its heritage status, ensures ongoing public access, and generates sufficient revenue to pay for its ongoing maintenance.¹¹⁸

Partial divestment of CH-listed places

- 3.123 Some witnesses gave further consideration to circumstances in which sites form part of larger heritage listings or have multiple heritage listings.

- 3.124 Ms L'Estrange from the Headland Preservation Group gave evidence that Defence was not aware of the full extent of CH-listings that affect HMAS *Penguin* (Mosman, Sydney):

Defence claims there is only one heritage listing covering the site. This is incorrect. HMAS *Penguin* is protected under two Commonwealth heritage listings, one covering the base itself, which includes the Angophora forest, the other the wider Georges Heights and Middle Head Defence landscape, of which HMAS *Penguin* is an integral part. Thirdly, it is impacted by a third Commonwealth heritage listing, the Military Road heritage framework, and any major development would seriously damage these heritage values, especially through increased traffic and urbanisation.¹¹⁹

- 3.125 Ms Janet Carding, Executive Director of the Harbour Trust, highlighted that, although there are multiple heritage listings, the Headland Park site has a single CH listing that covers the whole precinct, including HMAS *Penguin*.

¹¹⁷ Headland Preservation Group, *Submission 56*, p. 8.

¹¹⁸ Mr Robert Curran, *Submission 136*, [pp. 1–2].

¹¹⁹ Ms Jill L'Estrange, President, Headland Preservation Group, *Committee Hansard*, 8 May 2026, p. 10.

The Harbour Trust Chair, Professor Tim Entwisle, advised that ‘we are always looking for the better management of harbour land across the whole area’.¹²⁰

- 3.126 Victoria Barracks (Paddington, Sydney) has a CH listing for the ‘Victoria Barracks Precinct’, as well as 11 separate CH listings for various heritage places within the precinct. Mr David Burdon, Conservation Director for the National Trust of Australia (NSW), said:

There are many layers to Victoria Barracks and its importance. I think sometimes heritage listing is at its worst when it's considered in isolation. When we start to look at little pieces of an estate or whatever on a chessboard, and we protect this square and this square but we forget that there's a space in between, linking them together, that's when it can have the worst outcomes. In the particular places of large scale that we're often talking about in this context, it is about the totality rather than individual listings.¹²¹

- 3.127 Ms Heinrichs, representing the Werribee District Historical Society, gave evidence in relation to RAAF Base Williams Point Cook, which has one CH and one NH listing. She argued that the physical integrity of the site remains vital:

Point Cook is a singular living monument to Australian military and civic cooperation. If you fragment this land, you dilute the history and lose the context of how a community and the RAAF raised each other. To ensure this heritage is not lost to shortsighted development, the Werribee District Historical Society stands in full resolute support of ... a community trust to take over the base. A community trust offers a visionary framework, one that protects the entirety of the site, honours its unparalleled legacy and returns the historic asset to the people who built it alongside the RAAF.¹²²

Departmental responses

- 3.128 Section 341ZE of the EPBC Act provides measures for the protection of CH values of a CH-listed place that is being divested, which must be considered by the divesting Commonwealth entity and the Minister for the Environment. The ongoing protection could be provided by a covenant in the contract for sale, other measures advised by the minister, or by the minister entering into a conservation agreement.¹²³

¹²⁰ Ms Janet Carding, Executive Director, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, pp. 5–6; Professor Tim Entwisle, Chair, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 6.

¹²¹ Mr David Burdon, Conservation Director, National Trust of Australia (NSW), *Committee Hansard*, 8 May 2026, p. 6, who noted that the heritage value extends well beyond the walls into the surrounding suburb.

¹²² Ms Lisa Heinrichs, President, Werribee District Historical Society, *Committee Hansard*, 18 May 2026, p. 16. Also see: The Big Dry Company, *Submission 193*, pp. 20–21.

¹²³ Environment, *Submission 23*, pp. 5–6.

3.129 Environment explained that a contract should refer to the ongoing protection of the heritage values of the place in the form of a covenant:

Typically, a covenant will require the buyer or lessee to acknowledge, conserve and avoid adverse impacts to the heritage values of the NHL or CHL place. As part of the covenant, evidence that the heritage values of the place can be protected can include the creation and implementation of a Heritage Management Plan and the nomination of the place to the state or territory heritage register and/or notifying local government for inclusion in their planning schemes.¹²⁴

3.130 Ms Michelle Dumazel, Head of the Heritage Division at Environment, said:

A heritage management plan will identify the heritage values of a place. It will also identify what's required to maintain those values and the day-to-day running of the property in relation to the heritage values. Having a covenant that includes reference to a heritage management plan and the requirements within the heritage management plan is a good way to maintain the upkeep of a heritage place.¹²⁵

3.131 Environment advised that the department has engaged with Defence and Finance, which are both aware of their statutory obligations and the requirements for divestment of a CH or NH listed place.¹²⁶ Further:

[Environment] will continue to be involved in an advisory capacity to ensure a robust regulatory process is developed that enables ongoing heritage protection for the significant elements of divested places.¹²⁷

3.132 Finance confirmed that it will ensure that all statutory requirements are understood and adhered to prior to divestment. Further, the department affirmed that contracts for sale will include specific heritage covenants to protect values once a site is divested, including through reference to a site-specific Heritage Management Plan that is being developed by Defence.¹²⁸

¹²⁴ Environment, *Submission 23*, p. 6. Also see: Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 60, who stated that Defence wants to 'lean in very closely with state, territory and local heritage regimes'.

¹²⁵ Ms Michelle Dumazel, Head, Heritage Division, Environment, *Committee Hansard*, 4 May 2026, p. 59.

¹²⁶ Also see: Ms Carmen Dwyer, Head, Heritage Regulation and Assessments Branch, Heritage Division, Environment, *Committee Hansard*, 4 May 2026, p. 57, who said that, as the EPBC Act sets out heritage protection requirements, 'the information has been available to the department and the auditor throughout that time'.

¹²⁷ Environment, *Submission 23*, pp. 3 and 8.

¹²⁸ Finance, *Submission 38*, [pp. 5–6]. Also see: Defence, *Submission 125*, [p. 4].

Chapter 4

Policy framework for surplus Defence land

- 4.1 The Defence Estate Audit recommended that 68 Defence sites should be divested at market value, and its report referenced the Commonwealth Property Management Framework (CPMF): ‘The framework clearly articulates that surplus property must be sold on the open market at full market value, unless otherwise agreed by the Finance Minister’.¹
- 4.2 The Department of Finance (Finance) explained that ‘the CPMF establishes a foundation for achieving value for money and promotes efficient, effective, economical and ethical management of owned and leased Commonwealth property in Australia, including external territories’.²
- 4.3 Finance also explained that the CPMF operates within a broad legislative and policy environment. For the disposal of interests in land by the Commonwealth or a Commonwealth authority, the key legislation is Part X of the *Lands Acquisition Act 1989* (LAA), and the key policy is the Commonwealth Property Disposal Policy (CPDP).³
- 4.4 This chapter discusses an amended policy framework for the use of surplus Defence land that prioritises alternative public uses over private development.⁴

Commonwealth Property Disposal Policy

- 4.5 Finance advised that the CPDP requires surplus Commonwealth real property, having no alternative efficient government use, to be sold on the open market at full market value, unless agreed otherwise by the Minister for Finance.⁵
- 4.6 Finance highlighted that the CPDP also provides for off-market sales, usually at market value, without the property having first been offered for sale on the open market. In general, this type of sale requires the approval of the Minister for Finance and relevant portfolio Minister:

¹ Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 95, www.defence.gov.au/sites/default/files/2026-02/Defence-Estate-Audit-Report-WEB.pdf (accessed 24 April 2026). Also see: Ms Jan Mason, private capacity, *Committee Hansard*, 4 May 2026, p. 11, who commented that the Commonwealth cannot ‘land bank’.

² Department of Finance (Finance), *Submission 38*, [p. 6].

³ Finance, *Submission 38*, [p. 6].

⁴ Term of reference (g).

⁵ Finance, *Submission 38*, [p. 6]. Also see: Australian Government, Finance, ‘Commonwealth Property Disposal Policy’, www.finance.gov.au/government/property-and-construction/commonwealth-property-disposal-policy (accessed 26 June 2026), which sets out the two surplus land criteria.

An off-market sale may be appropriate where the sale is to a state, territory or local government where it would:

Past examples of off-market sales to other levels of government include for housing, transport infrastructure or community use (e.g. parks). There are limited circumstances for off-market sales to private individuals or organisations.⁶

- 4.7 In addition, Finance advised that ‘external parties, such as other levels of government and members of the public, can propose alternative uses for Commonwealth property’, a process that is administered by Finance. Alternative use proposals are assessed against certain considerations—for example, benefits to the economy, community or environment—and any resulting disposals must be consistent with the requirements of the CPDP.⁷
- 4.8 The CPDP states that property considered suitable for disposal should be progressed for divestment at the earliest reasonable opportunity, subject to due diligence processes and taking into account affordable housing outcomes.⁸
- 4.9 Ms Celia Perkins, then Acting Associate Secretary for the Department of Defence (Defence), advised that Defence has been directed to have largely vacated the divestment sites within two years, however, the divestment timeframe is not known, as ‘some of these sales will be quite straightforward and some will be complex’.⁹
- 4.10 Finance representative Mr Libor Pelecky, First Assistant Secretary in the Property and Construction Division of the Commercial Group, agreed that the timeframe will become clearer as the department progresses its due diligence processes:

We are currently undertaking due diligence on all the properties to determine the valuations, to assess heritage implications and to assess contamination and any remediation costs. It's work to update the work that was done by the audit, because those sites were valued some time ago. The market has changed, and some of the analysis was done on a desktop basis ... [O]nce we complete the due diligence process, we will be given a sense of the timing. There will be some properties that we think we will be able to dispose of relatively quickly, especially sites that have no defence personnel and that have no contamination. I would expect that we'll be able

⁶ Finance, Submission 38, [p. 7].

⁷ Finance, *Submission 38*, [pp. 6–7]. Also see: Australian Government, Finance, ‘Commonwealth Property Disposal Policy’.

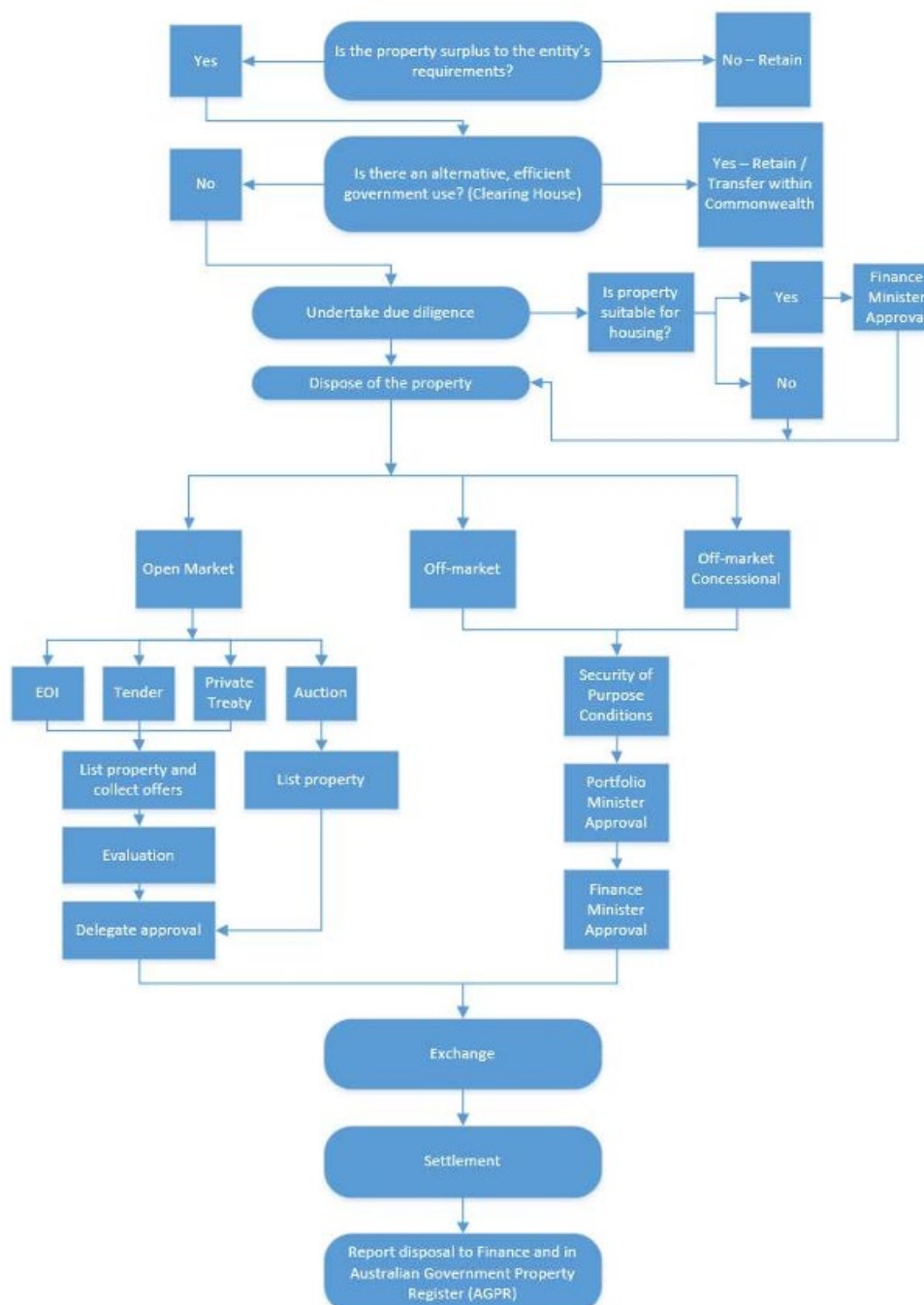
⁸ Australian Government, Finance, ‘Commonwealth Property Disposal Policy’.

⁹ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 44.

to divest some of the sites within the next six to eight months, but some sites will be much more complex.¹⁰

4.11 Figure 4.1 depicts the steps required to dispose of surplus Commonwealth land.

Figure 4.1 General steps required for Commonwealth property disposals



Source: Department of Finance, *A Guide to Commonwealth Property Disposals*, June 2024, p. 5.

¹⁰ Mr Libor Pelecky, First Assistant Secretary, Property and Construction Division, Commercial Group, Finance, *Committee Hansard*, 4 May 2026, p. 44.

Potential benefits of divestment

- 4.12 Participants in the inquiry questioned whether all 67 Defence sites agreed by the Australian Government to be divested are surplus land (Chapters 2 and 3). They argued that specific sites have invaluable and irreplaceable meaning to the Australian community, especially current and former serving members of the Australian Defence Force, that preclude their consideration for divestment.
- 4.13 Many submitters and witnesses recognised, however, that parts of the Defence estate could be rationalised, to align the estate with the priorities outlined in the Review and to enable the land to be utilised for other purposes. Mr John Hardy, Chief Executive Officer of RSL Tasmania, stated, for example:

We do not oppose Defence estate reform in any way. We accept that Defence cannot retain every ageing building, plot of land, depot or parcel of land simply because it historically has value or was once part of the Defence estate. What facilities are not being required should be moved on, but something more capable and effective should be supported and supplied. Our concern is not about buildings and, in this case, history. Our concern is about capability ... [E]states should follow capability. Capability should never be determined simply by what estate costs and asking, 'Is it cheaper to retain or dispose of?' We feel that is part of this case.¹¹

- 4.14 The Big Dry Company Pty Ltd highlighted that 'moving on' as presented in the CPDP does mean a 'binary choice' between development and preservation, allowing for a more sophisticated discussion of future uses for land divested from the Defence estate:

[The policy also] requires consideration of Indigenous, environmental, heritage and contamination matters and provides a pathway for alternative-use proposals that can be assessed for economic, community and environmental benefit. That policy context creates room for a more sophisticated discussion than a binary choice between preservation and development.¹²

Affordable housing outcomes

- 4.15 The CPDP allows for the disposal of land suitable for housing, with special consideration for affordable housing outcomes (that is, housing that is suitable for purchase or rent by very low to moderate income households). These disposals are subject to the approval of the Minister for Finance and informed by whole-of-government considerations.

¹¹ Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, pp. 1-2, who clarified that there is no clear and articulated replacement for the capability plan in Tasmania. Also see, for example: Werribee District Historical Society, *Submission 21*, p. 2; Headland Preservation Group, *Submission 56*, p. 2.

¹² The Big Dry Company Pty Ltd, *Submission 193*, p. 4. Note: the submission suggested that 'significant sites be tested against a repeatable stewardship framework before a disposal pathway forecloses better long-term outcomes': p. 5.

- 4.16 The Planning Institute of Australia submitted that the CPDP, and therefore the recommendations of the Defence Estate Audit, is transactional:

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 Commonwealth

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**.¹³

- 4.17 The Planning Institute of Australia considered that the divestment program 'represents one of the most significant Commonwealth land disposals in decades' and 'creates a rare opportunity to reposition nationally significant landholdings to support housing, infrastructure and productivity outcomes'.¹⁴
- 4.18 The Abundant Housing Network Australia particularly noted that many divestment sites are located in central metropolitan areas, where the Commonwealth could inject much-needed housing supply into the market.¹⁵
- 4.19 The Friends of Lee Point referenced a specific Defence site—Defence Establishment Berrimah (Northern Territory)—that is 'well located near existing infrastructure and public transport', with potential for affordable housing outcomes. Its submission proposed that this site be developed for housing outcomes, rather than the former Defence site at Lee Point which has heritage and environmental values:

This site [Lee Point], owned by Defence Housing Australia (DHA), is not near existing infrastructure or public transport and has important natural and cultural heritage. DHA has only provided expensive lots and no affordable housing at Lee Point. The DHA Lee Point housing project is deeply unpopular with the Darwin community and strongly opposed by the Larrakia people (traditional owners of Darwin) ... [T]he Defence Establishment Berrimah site should be used for the DHA housing project instead of Lee Point.¹⁶

¹³ Planning Institute of Australia, *Submission 10*, p. 3.

¹⁴ Planning Institute of Australia, *Submission 10*, pp. 1–2.

¹⁵ Abundant Housing Network Australia, *Submission 4*, [p. 1].

¹⁶ Friends of Lee Point, *Submission 30*, [p. 1]. Also see: Headland Preservation Group, *Submission 56*, p. 11, which submitted that HMAS *Penguin* (Mosman, Sydney) is a 'developer's dream' in a 'prized location' and 'almost certainly luxury housing will be the priority, with some token short-term affordable housing'.

Other alternative uses

- 4.20 The CPDP enables other levels of government and members of the public to propose alternative uses for Commonwealth property. Many participants in the inquiry expressed interest and/or support for specific Defence sites to be divested for public purposes, including into trusts that would facilitate economic, heritage, social, cultural and Indigenous objectives.

Trust arrangements for public purposes

- 4.21 Some inquiry participants expressly noted that the CPDP does not mention the disposal option available to the Australian Government under section 122 of the LAA. This section provides:

(a) set apart for, or dedicate to, a public purpose land vested in the Commonwealth, or in an officer or person on behalf of the Commonwealth;

...

(2) Land set apart for, or dedicated to, a public purpose under subsection (1) may be vested in trustees upon trust to carry out the purpose for which it is set apart or dedicated.

- 4.22 The Australian National Veterans Arts Museum outlined its experience attempting to acquire a former Defence site—the Commonwealth Heritage listed Repatriation Commission Outpatient Clinic (Melbourne, Victoria)—to establish a national veterans arts and cultural institution. The museum submitted that, in its case, the CPDP was applied as the primary framework without consideration of the broader statutory regime:

Parliament does not only constrain executive action; it also enables it. The LAA, the *Public Governance, Performance and Accountability Act 2013*, and the *Environment Protection and Biodiversity Conservation Act 1999* collectively establish mechanisms and obligations for the management of Commonwealth property in the public interest. The CPDP is a departmental instrument. It is not legislation, is not subject to parliamentary disallowance, and is not scrutinised in the same way as a legislative instrument. Yet in this matter it appears to have been treated as though it exhausted the available legal framework.¹⁷

- 4.23 The Australian National Veterans Arts Museum advised that its alternative use proposal is for the Commonwealth to appoint the museum as trustee under section 122 of the LAA. It submitted that the trustee ship would align with a range of government priorities (such as retaining Commonwealth ownership, while removing the financial and management burden). Further:

This approach is consistent with established precedent. Defence has accepted community trust outcomes for former Defence land before. Section 122 of the LAA is the mechanism that makes that outcome available for 310 St Kilda Road without requiring local government involvement, a

¹⁷ Australian National Veterans Arts Museum, *Submission 7*, p. 8.

disposal of Commonwealth ownership, or any legislative innovation ... [T]his option represents a superior alternative to commercial disposal on every financial, legal, heritage and policy measure.¹⁸

- 4.24 Similarly, the Air Force Association called for the establishment of a community trust to manage the nationally significant RAAF Base Point Cook. Mr John Bushell, State President of the Queensland Division, emphasised:

...a community trust is the best model to ensure benefits of employment and heritage tourism while retaining the national heritage significance of the site. Preservation of the nationally significant heritage site with easier access for the community is more appropriate than redevelopment for housing with consequent infrastructure impacts. Historic memorials purposefully located at Point Cook in view of its pre-eminence in military aviation history and their location must be preserved. There is a natural environment value in retaining the open space buffer with the adjoining Ramsar treaty wetlands and environmentally sensitive Point Cook Coastal Park.¹⁹

- 4.25 Mr David Prosser, President of the Aviation Historical Society of Australia, highlighted that a community trust could generate income 'to help maintain the base as it is at present and to expand further. We'd see more people going to the museum, which is world-class'.²⁰

Figure 4.2 RAAF Museum, RAAF Base Point Cook, Point Cook, Victoria



Source: committee secretariat

¹⁸ Australian National Veterans Arts Museum, *Submission 43*, p. 3. Note: the submission highlighted that further work was recommended by the Defence Estate Audit (Recommendations 15 and 17).

¹⁹ Mr John Bushell, State President (Queensland Division), Air Force Association, *Committee Hansard*, 18 May 2026, p. 2. Also see: Aviation Historical Society of Australia, *Submission 6*, [p. 2]. Also see: Form Letters 1 and 2.

²⁰ Mr David Prosser, President, Aviation Historical Society of Australia (Victoria Branch), *Committee Hansard*, 18 May 2026, p. 18.

- 4.26 The Aviation Historical Society of Australia noted that the Australian Government previously sought to divest this base (RAAF Base Point Cook), but the sale was ultimately withdrawn. The society advised that the base was intended to be placed into a trust but was then held for defence purposes:

The transfer, then as now, would be in line with other notable examples of the transfer of former defence sites to trusts, such as the Sydney Harbour Federation Trust (1999) and the [former] Point Nepean Community Trust (2003).²¹

- 4.27 Dr Bob Marmion from the Fort Queenscliff Heritage Association provided similar evidence to the inquiry regarding interest in and access to Fort Queenscliff (Victoria). He said:

...it's critical to share our military history and heritage with the wider public. We get 6,000 to 8,000 people through a year, and they're amazed at what is there. It's unique. It's an experience. It's firsthand. They love it. And that should be open to the public [as part of a community trust].²²

- 4.28 The Paddington Society emphasised that Victoria Barracks (Sydney) has major national significance and the Commonwealth should remain as custodian of the site on behalf of the entire nation. It stated that the 'least bad' alternative would be the creation of a bespoke trust for the maintenance and management of the barracks:

...a site with the significance and scale of the Barracks warrants the establishment of a specific **Victoria Barracks Trust**, with exclusive focus on the long-term management of the Barracks on behalf of the national community. It should have a Board that is representative of the broad community with a mandatory veteran community component and mandatory heritage expertise. It should be established by Commonwealth legislation, similar to the *Sydney Harbour Federation Trust Act 2001*, with the land remaining in Commonwealth ownership and Commonwealth funded. The Act would need to provide a stable Consolidated Revenue funding basis; have statutory provision for public access including for defence-related ceremonial use (ANZAC Day, an expanded Defence Museum); and have a requirement to facilitate some continued-on site military presence and training facilities (eg. Cadets, University Regiments).²³

²¹ Aviation Historical Society of Australia, *Submission 6*, [p. 3]. Also see: Aviation Historical Society of Australia, answers to questions on notice, sent 21 May 2026 (received 4 June 2026), [pp. 1–2].

²² Dr Bob Marmion, Secretary, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, p. 8. Also see: Mr David Connonley, President, Queenscliff Community Association, *Committee Hansard*, 24 August 2026, p. 17, who emphasised that 'the fort is living history' and 'representative of a bygone era'.

²³ The Paddington Society, answers to spoken questions on notice, 8 May 2026 (2 June 2026), p. 1.

- 4.29 Some participants queried whether the CPDP should more explicitly set out the disposal pathway for alternative uses. Save Westernport noted that the Defence Estate Audit referred only to the sale of surplus land and not to the potential transfer to other government departments, however, this was advised by departments at the Queenscliff community consultation session:

This disjunct between the Report, its recommendation and the process now underway is concerning and leaves the public with no clear understanding. Who do we believe?²⁴

- 4.30 Mr Mark Johnston, Executive Chairman of the Australian National Veterans Arts Museum, tabled an amended version of Figure 4.1, which includes the omitted social outcomes. In relation to the current process, he argued that 'We, the community ... are being excluded by this process where we have an interest in these places that are of value to us in one way or another'.²⁵

- 4.31 The Tasmanian Government expressed its concern that the current divestment process is limited in how surplus land might be best used, including in relation to non-Defence policy outcomes:

Any divestment process should take a broad view regarding how surplus land might be best used, including how alternative uses can support policy outcomes outside Defence. Tasmania would note that two of the 15 identified sites look to be ideal locations to expand well-located housing supply [for example, the Derwent Barracks at Dowsing Point] ... The Tasmanian Government made a number of representations for the release of Dowsing Point including as part of the Defence Estate Audit in 2023 and would welcome further engagement with the Australian Government to unlock this land and address Tasmania's growing housing needs.²⁶

- 4.32 ABC News has subsequently reported that the federal, state and local governments have agreed to jointly develop the Derwent Barracks into a mix of social, affordable and private housing (up to 1000 homes). The site is currently utilised by cadets and reserves, as well as hosting logistics facilities.²⁷

²⁴ Save Westernport, *Submission 187*, p.8. Also see: Dr Bob Marmion, Secretary, Fort Queenscliff Heritage Association, *Committee Hansard*, 24 August 2026, pp. 7–8, who indicated there is no point transferring heritage assets to state governments that do not have the money for sustainment.

²⁵ Mr Mark Johnston, Executive Chairman, Australian National Veterans Arts Museum, *Committee Hansard*, 18 May 2026, p. 14. Also see: Tabled Document 1. Also see: The Big Dry Company Pty Ltd, *Submission 193*, p. 9; Ms Kerri Erler, President, Queenscliffe Maritime Museum, *Committee Hansard*, 24 August 2026, p. 25.

²⁶ Tasmanian Government, *Submission 130*, pp. 3–4. Note: the second site is the Youngtown Training Depot (TAS).

²⁷ C. Balen, 'Derwent Barracks at Hobart's Dowsing Point slated for 1,000 home development', *ABC News*, www.abc.net.au/news/2026-05-17/tas-derwent-barracks-land-sale/106689470 (accessed 25 June 2026). Also see: Hon Anthony Albanese MP, Prime Minister, and

- 4.33 In evidence, RSL Tasmania representative Mr John Hardy told the committee that this announcement was ‘surprising’, as only three weeks earlier the Assistant Defence Minister had assured veterans that the divestment would be a two-year process:

...the board and I were somewhat surprised when we were given 48 hours notice that the Premier was going to make an announcement about the divestment of Derwent Barracks and the property ... [T]here was a rather heated conversation between me and [Assistant] Minister Khalil about how we thought that we'd been blindsided ... We feel that we entered this with an honest, open hand, and we feel very strongly that that did not become the case. We put out [a] media release supporting the federal government as long as it was a two-year process. Three weeks later we were doing a rearguard action based around an announcement around Derwent Barracks. It was not a good place to be.²⁸

- 4.34 Mr Matthew Garwood, Mayor of the City of Launceston, provided the committee with a local government perspective. He referred to the 2017 Launceston City Deal, a 10-year joint agreement between the Australian Government, the Tasmanian Government and the City of Launceston, to shape the city's future, create jobs and generate economic growth for the region.²⁹

- 4.35 As part of the Launceston City Deal, the University of Tasmania's Newnham Campus was relocated into the Launceston CBD (Inveresk Precinct). Mr Garwood explained:

It created an incredible opportunity for our city to be invigorated—and the vibrancy of our city around that ... It delivered other, more social and economic opportunities ... The opportunities for what Newnham campus is going to bring and what it will bring for our northern suburbs, which is a lower socioeconomic part of our city—looking at what that opens up for Paterson Street barracks ... It is a highly valued spot, and I know that that would be a great development for a private developer. I know that there are some that would be very, very interested in that. But the City of Launceston has, again, been bold in going forward through resolution, through council and through our processes that we have through the [legislation] to say that we would be very interested in taking carriage of this building, maintaining its heritage and ensuring that it continues to contribute to the community, as opposed to private enterprise.³⁰

- 4.36 Similarly, the Air Force Association suggested that divestment initiatives could contribute more directly to other policy objectives; they noted the

Hon Jeremy Rockliff MP, Premier of Tasmania, ‘More homes for Tasmania’, *Media release*, 17 May 2026, www.pm.gov.au/media/more-homes-tasmania (accessed 26 June 2026).

²⁸ Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, p. 4.

²⁹ See: Launceston City Deal, www.launcestoncitydeal.com.au (accessed 1 September 2026).

³⁰ Mr Matthew Garwood, Mayor, City of Launceston, *Committee Hansard*, 27 August 2026, pp. 12–13, who noted that the state government planning authority essentially controls zoning: p. 13.

recommendations of the Royal Commission into Defence and Veteran Suicide. It noted two ways in which land has been or could be repurposed in support of former and serving members:

A past example was the divestment of the Torrens Parade Ground Precinct in Adelaide from Defence to the South Australian State Government in the early 2000s which has provided for a combined veterans' facility which is regularly utilised for veteran community and commemorative events.

Divestment for housing initiatives could also be prioritised to the veteran community, who would likely have an existing connection to the estate. And with veterans in residence there is a higher probability for the upkeep of historical, cultural and heritage facilities or memorials that may exist on site. In this way, Government would be demonstrating a viable and tangible response to the support of veterans, notably in the context of the Royal Commission into Defence and Veteran Suicide.³¹

Museums, history rooms and displays

4.37 The Defence Estate Audit reported that occupied premises with heritage values are maintained to high standards, compared to 'operational areas of the Defence estate that are not afforded appropriate levels of priority'. The audit noted that there are at minimum 130 museums, history rooms and displays, eighty per cent of which are not easily accessible to the public:

While local arrangements have been made to open sites at set times to visitors or relocate museums closer to external boundary perimeters, there remains a fundamental question as to whether accommodating these collections on active Defence bases represents the best use of finite estate resources. There would be greater value in a more systematic and centrally coordinated approach to the assessment, curation and public exhibition of historic items currently stored across the estate.³²

4.38 Participants in the inquiry, including organisations that occupy Defence sites that are to be divested, expressed concern for the future of those heritage-listed sites, as well as historical collections that are maintained on-site.³³

³¹ Air Force Association, *Submission 43*, p. 2. Also see: Australian National Veterans Art Museum, *Submission 7*, pp. 11–12, which agreed that its proposal would support recommendations and strategies that focus on the well-being of serving members; Mr John Hardy, Chief Executive Officer, RSL Tasmania, *Committee Hansard*, 27 August 2026, pp. 4–5, who confirmed the need for housing for homeless veterans (70–100 in Tasmania).

³² Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 45.

³³ See, for example: NSW Lancers Association and NSW Lancers Memorial Museum, *Submission 5*, p. 5; NSW Lancers Memorial Museum, answers to written questions on notice, 11 May 2026 (received 18 May 2026), p. 2, which noted that the museum is not financially or physically capable of relocating to a different premises.

Submitters and witnesses noted that some sites are, and could be made more, accessible to the public.³⁴

4.39 The Royal United Services Institute of Victoria (RUSI VIC) holds the Monash Memorial Defence Library, a collection of national and state significance at Victoria Barracks (Melbourne), and the Royal United Services Institute of Queensland (RUSI QLD) is located at the oldest surviving military barracks in Queensland (Victoria Barracks (Brisbane)), which has national, state and local heritage listings.³⁵

4.40 According to their national body, the Royal United Services Institute for Defence and Security Studies–Australia (RUSI), both barracks should be retained in public ownership, consistent with the original land transfer to the Commonwealth and broader stewardship obligations in relation to nationally significant heritage assets:

It would also allow for RUSI VIC and RUSI QLD to continue their important work in operating their respective military libraries and in promoting informed debate on, and enhancing public awareness and understanding of, Australia's defence and national security.³⁶

4.41 Mr David Burdon, Conservation Director for the National Trust of Australia (NSW), said that Defence sites with significant heritage value are already open to the public:

One of the things that often gets raised or provided as an excuse for selling assets is that it will improve public access. I think it's important to note that Victoria Barracks [Sydney], in particular, is already open to the public. Every Thursday, you can go on a tour there. Many people do. It's got a military museum. The Waratahs play football out the front. It is a site that is accessible and used by the community, just as Duntroon is ... So the fact that they are still military sites doesn't preclude public access.³⁷

4.42 Retired Lieutenant General Kenneth Gillespie, a former Commander based at Victoria Barracks (Sydney), agreed that, while public access to the barracks 'dropped away' after September 11, there is still access:

There was an uncertainty about our security environment, so we tightened security around those bases. We've never let that off. Victoria Barracks in Sydney is certainly at times open to the public to go through. There are tours conducted through the establishment. If public access is an issue, there can

³⁴ Mr Len Koles, President, Royal New South Wales Lancers Memorial Museum, *Committee Hansard* 4 May 2026, p. 31.

³⁵ Royal United Services Institute for Defence and Security Studies–Australia, *Submission 33*, pp. 3–4.

³⁶ Royal United Services Institute for Defence and Security Studies–Australia, *Submission 33*, p. 4.

³⁷ Mr David Burdon, Conservation Director, National Trust of Australia (NSW), *Committee Hansard*, 8 May 2026, p. 3.

be other solutions to allow more public access to the barracks so they can participate in the heritage and history of this fantastic facility.³⁸

- 4.43 Mr Paul Bardsley, Member of The Paddington Society, recalled that ‘there used to be a lot more access’ to Victoria Barracks (Paddington, Sydney). Mr Bardsley considered that treating the site as a public asset with enhanced public access and possibly some adaptive use presents an opportunity for Defence:

Our case is that it's an incredible asset for the Defence department in terms of prestige and public profile and how they associate with the community, and the more they bring in the community and do that the stronger that is. And it's not just a commercial consideration. In an era where we know Defence is going to need to expand, it's a Defence obligation to engage properly with the community. And that's what this does.³⁹

- 4.44 Ms Janet Carding, Executive Director of the Sydney Harbour Federation Trust, provided a different example: former HMAS *Platypus* (now Sub-Base Platypus), which was opened to the public in 2023:

The way that we told the story of the history of that site was not through a museum. We don't have the capacity to have security guards, opening hours—but what we have is an opportunity for an interpretive wall. So we've told the rich stories of the sites by gathering the oral histories of many of the people who worked there through the Second World War and when it was HMAS *Platypus*. We have gathered a collection of items, and we've opened them up that way. That site is open 24/7 to the public.⁴⁰

- 4.45 In another example, Ms Carding outlined the ways in which the Headland Park (Georges Heights, Chowder Bay and Middle Head sites) have been opened to the public:

The Headland Park site as a whole—that's the Georges Heights, Chowder Bay and Middle Head sites together—attract over a million visits a year. There are a range of activities there. There are cafes and there are small businesses that are operating from there, and of course we're headquartered there ourselves. We've built lookouts. There are coastal paths. We're part of the long-distance Bondi to Manly coastal path. So over a period of time, yes, we've been able to deliver considerable community benefit at that site.⁴¹

³⁸ Lieutenant General Kenneth Gillespie, private capacity, *Committee Hansard*, 18 May 2026, p. 22.

³⁹ Mr Paul Bardsley, Member, The Paddington Society, *Committee Hansard*, 8 May 2026, p. 12.

⁴⁰ Ms Janet Carding, Executive Director, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 4.

⁴¹ Ms Janet Carding, Executive Director, Sydney Harbour Federation Trust, *Committee Hansard*, 8 May 2026, p. 4. Also see: p. 5, where Ms Carding noted that the trust works with NSW National Parks to conserve the natural heritage (forest) at Headland Park; Ms Jill L'Estrange, President, Headland Preservation Group, *Committee Hansard*, 8 May 2026, p. 12.

Departmental response

- 4.46 Defence acknowledged that some Defence sites maintain significant museums and collections. However, 'public access to many of these assets is limited as recognised in the Defence Estate Audit'. The department affirmed:

[T]he Government is committed to preserving and enhancing public access to historically significant sites and collections to ensure that as many Australians as possible can access and appreciate our military history.⁴²

- 4.47 Defence advised that it is working with Finance and the Department of Climate Change, Energy, the Environment and Water (Environment) to determine options for heritage captured by the divestment program:

Defence and Finance in consultation with [Environment] is developing plans to identify options for divestment of heritage sites, places, museums and collections that provide for enhanced public access and ensure the importance of these places is maintained for current and future generations. ... Defence is engaging with community groups and representatives from heritage organisations to understand what options will best meet these goals, taking into account local knowledge, site and collection condition, and other relevant factors.⁴³

- 4.48 Ms Perkins stated that 'Defence will fully attend to our history and heritage obligations', commencing with 'a whole-of-program heritage study':

It will be quite a detailed study that will help guide us site by site not only as we transition to sale but also how we meet our obligations for [collections and the defence heritage history] ... There's a lot of stuff out there, and there'll be a solid plan for where it goes and how it is treated moving forward.⁴⁴

⁴² Australian Government, Defence, *Delivering the Future Estate, Defence Estate Audit Report*, 2025, p. 3.

⁴³ Defence, answers to written questions on notice (received 18 June 2026), [p. 7].

⁴⁴ Ms Celia Perkins, Acting Associate Secretary, Defence, *Committee Hansard*, 4 May 2026, p. 49.

Chapter 5

Committee views and recommendations

- 5.1 Over the past six months, the committee has extensively inquired into the Australian Government's decision to wholly or partially divest 67 sites identified by the Defence Estate Audit as not being aligned to current or future capability priorities.
- 5.2 The committee acknowledges that the government acted on recommendations made by the auditors; the recommendation to divest the properties was not made at the behest of the Department of Defence (Defence).
- 5.3 Through the inquiry process, the committee consistently heard from a wide range of stakeholders—serving and former members, reserve and cadet units, professional and community organisations, individuals, and state and local governments—that the divestment program is not supported for multiple reasons.
- 5.4 Overwhelmingly, the committee heard that these stakeholders have no confidence in the divestment program. The government announced its decision to divest publicly owned and nationally significant assets prior to a thorough assessment of critical considerations (capability, strategic value, heritage and environment protections, and community impacts). It was only after the announcement that the sites would be divested, that the government directed Defence to commence 'consultations', following which complete and consistent information has not been forthcoming.
- 5.5 The committee also heard that most stakeholders have been poorly served by the divestment process. In addition to the widespread confusion and uncertainty caused by the lack of public information, those affected by the proposed divestments described feeling frustrated, distressed, disrespected and angry. They particularly commented on the ongoing consultation being conducted by Defence and the Department of Finance (Finance), which they universally considered little more than information-sharing sessions. Without any real possibility of inclusion in the core decision-making process, many are simply resigned to positioning themselves for the least-worst outcome.
- 5.6 Although Defence has had more than two years to reflect on and analyse the Defence Estate Audit, the committee notes that the department has not demonstrated, and cannot demonstrate, that the divestment program will not harm Defence capability. On the contrary, every participant in the inquiry with a military background identified foreseeable impacts of specific divestments on strategic priorities (such as force posture, workforce, infrastructure, etc) and

challenged the government's claims that these sites are 'surplus' properties that can or should be divested.

- 5.7 A key focus of the Defence Estate Audit is the revenue that could be raised through the divestment program for reallocation to the priorities outlined in the Review. Stakeholders provided compelling evidence that this financial consideration was excessively and disproportionately weighted against other legitimate considerations (capability, strategic value, contingencies, heritage, environment and community values). Moreover, the financial projections are based on outdated desktop valuations, with the net returns and costs currently unascertainable. Based on previous divestments from the Defence estate, the committee heard that the divestment program is not likely to be cash positive, however, by the time this is known, the assets will have long been divested from the estate.
- 5.8 Most significantly, the committee is of the view that the divestment program places Australia's irreplaceable military heritage at considerable risk. The committee heard that the Australian people identify many of the Defence sites as priceless and nationally significant properties to which their communities have always been and are strongly connected. To name just a few: Victoria Barracks (Sydney, Melbourne and Brisbane), HMAS *Penguin* (Mosman, Sydney), RAAF Base Williams (Point Cook, Victoria), Fort Queenscliff (Queenscliff, Victoria), Lancer Barracks (Parramatta, Sydney) and HMAS *Cerberus* (Crib Point, Victoria).
- 5.9 A not altogether surprising finding from the inquiry is an overarching concern regarding the management of the divestment program. The committee heard that there is a need for greater transparency and accountability in relation to the decision-making processes, with stakeholders repeatedly highlighting the secretive nature of the key assumptions, financial modelling, governance arrangements and conflict of interest considerations.
- 5.10 The committee's targeted comments and recommendations are set out below.

Divestment program

- 5.11 Defence and Finance are currently progressing the divestment of 67 Defence sites identified in Recommendation 1 of the Defence Estate Audit. As part of this process, the departments are undertaking due diligence and industry assessments, which can take considerable time.
- 5.12 The committee considers that the government should have completed these investigations and then made fully informed decisions, prior to announcing the sale of nationally significant assets.
- 5.13 The committee notes criticisms of the Defence Estate Audit, including its narrow terms of reference, non-visitation of divestment sites and the non-military background of the auditors.

- 5.14 The committee also notes the wide-ranging and significant concerns raised by stakeholders, including that the decision to divest specific Defence sites diminishes capability, conflicts with other government policies and responsibilities, and fundamentally disregards the express wishes of the Australian community.
- 5.15 Defence, Finance and to a more limited extent, the Department of Climate Change, Energy, the Environment and Water could not persuade the committee that the concerns raised had been comprehensively examined and any risks mitigated. In an increasingly uncertain strategic environment, the committee emphasises the prudence in retaining assets whose strategic value is not yet fully appreciated and in ensuring that decisions about those assets are made based on long-term national interests, rather than short-term expediency.
- 5.16 The committee concludes that the responsible course of action is to immediately suspend the divestment program, pending the completion of all site investigations, the conduct of an independent review, and the provision of a comprehensive and satisfactory explanation to the Parliament regarding the strategic rationale for the program.

Recommendation 1

- 5.17 **The committee recommends that the Australian Government immediately halt the mass divestment program of Australia's foundational Defence estate and the work of the Defence Estate Audit divestment program, until a proper public consultation process is completed, and legislative checks and balances are in place in accordance with Recommendation 2.**

Recommendation 2

- 5.18 **The committee recommends that the Australian Government undertake the baseline security review in accordance with the original stated intention of the 2023 Defence Strategic Review recommendation on which the Defence Estate Audit was based.**
- 5.19 The Defence Estate Audit, and subsequently Defence and the government, relied upon the Commonwealth Property Disposal Policy, as authority for divesting Defence sites on the open market. The committee received incontrovertible evidence that the sites have been misidentified as 'surplus' land. Further, the core policy document does not identify, or at best clearly identify, public uses (such as in trust arrangements that are provided for in the *Lands Acquisition Act 1989*) as an alternative to divestment. The committee heard that this option is only considered after a divestment decision has been made and according to the evidence before the committee, the divestment pathway then leads to either housing or market disposals.

- 5.20 The committee notes that the Australian Government aims to return \$1.8 billion to the Defence budget with the divestment of 67 Defence sites. The government has not divulged any of the financial information on which this and related assumptions are based, although commercial considerations were a key factor in the government's decision-making. The committee considers that outdated and unverified claims of short-term and relatively minimal financial gains are not a sufficient reason to set aside long-term national interest and to divest irreplaceable Australian heritage. It is quite simply not in the public interest.
- 5.21 Against this background, the committee reflects on the original intent of the Defence Estate Audit: an enterprise-wide audit to baseline estate and infrastructure with a focus on workplace health and safety, and protective security. As was highlighted in the inquiry, this task was to be followed by investment in the estate. Rather than upgrade, improve and acquire publicly owned assets to support Defence capability, the government has perversely chosen a contrary and equally expensive option that is inconsistent with the Review.

Consultation process

- 5.22 Stakeholders—former members, reserve and cadet units, community organisations, individuals, and state and local governments—expressed their immense dissatisfaction with the complete absence of timely and genuine consultation, followed by partial information and misinformation.
- 5.23 The committee recognises that Defence sites have been and are an integral part of community histories and personal experiences, with Australians of every ilk forming strong identities and connections to these important sites. From their own site inspections, the committee can attest to the raw emotion of several sites.
- 5.24 Decisions affecting the sites also impact local communities and to varying degrees, individuals. Even at this early stage, the government's decision has deeply affected countless people and Defence's social licence.
- 5.25 The committee urges the government to rectify this unfortunate situation, by improving its consultation process to effect timely, genuine and respectful community engagement, improving the provision of information and advice, and implementation of transparent decision-making processes.

Recommendation 3

- 5.26 **The committee recommends that the Department of Defence and the Department of Finance implement a nationally consistent public consultation framework for proposed divestments from the Defence estate. This should include mandatory engagement with relevant state and local governments, veterans' and community organisations, members and their families, and other affected stakeholders, prior to any divestment decision.**

Impacts on the Australian Defence Force community

- 5.27 Throughout the inquiry, the committee was particularly impressed with the enduring and unique connection of serving and former members, reservists, cadets, history and military enthusiasts, and descendants of those who have served to specific divestment sites. Most especially, Victoria Barracks (Sydney) held a special place in many hearts as ‘the spiritual home’ of the Australian Army, similar to ‘the spiritual home’ of the Royal Australian Air Force at RAAF Base Williams (Point Cook, Victoria).
- 5.28 Clearly, bases, training establishments, drill halls and cadet facilities are far more than the bricks and mortar of Defence infrastructure; they are centres of community identity, local history, volunteering, emergency support, recruitment into military service and above all, pride in serving one’s country.
- 5.29 In this context, the abject failure of the Defence Estate Audit and Defence to properly consult more widely outside of Defence calls into question the government’s actions and decision-making process, suggesting that there is a need for greater commitment to genuine consultation and supporting stakeholders in the transition that is sure to stretch out over many years.
- 5.30 The committee particularly recognises that the government’s actions and decision-making process relating to multiple divestments from the Defence estate have caused and are causing harm, especially to serving and former members. The Defence Estate Audit and the government have described this situation as ‘sensitive’. In the committee’s view, those who have committed their lives to the service of their country deserve more than lip service.
- 5.31 Already, stakeholders affected by the divestment program are experiencing loss, from those whose mates have been memorialised at Defence sites (and parade grounds) around the country, to those who turn out on weeknights and weekends (sometimes in the dark and in the rain) hoping to follow in the footsteps of their revered predecessors.
- 5.32 Reserve and cadet units—particularly in Tasmania—have been targeted in Recommendation 1 of the Defence Estate Audit. These units support Defence capability, enhance social cohesion, connect Defence with local communities, and provide an integral pathway for Australian Defence Force recruitment. It is a mutually beneficial relationship that is highly valued by Australian communities; that relationship is now at risk, precisely at a time when the government should be making it easier for young Australians to consider a future in the Australian Defence Force.
- 5.33 The committee is highly concerned that, despite media releases and public claims to the contrary, neither the Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence, and the Hon Peter Khalil MP, Assistant Minister for Defence, nor their department have fully appreciated these and other impacts of the divestment program.

Recommendation 4

- 5.34 The committee recommends that the Australian Government acknowledge the impact on mental health for veterans, serving Australian Defence Force personnel, and their families caused by the current Defence estate divestment process, and provide services and support to affected persons.**

Recommendation 5

- 5.35 The committee recommends that the Australian Government cease any action that has adversely impacted cadets and reserves and instead invest more into already existing cadet and reserves facilities and units. This recommendation is intended to redress impacts on accessibility, participation and training opportunities, retention and recruitment, community engagement and presence, readiness and mobilisation.**

Heritage and environmental considerations

- 5.36 As part of due diligence, Defence and Finance are conducting heritage and environmental assessments for each of the divestment sites. The committee understands that not all sites will comprise heritage places, have heritage values or be affected by significant impacts on the environment. However, some assets are of immense and incalculable heritage and environmental value, as is recognised in existing Commonwealth Heritage and National Heritage listings and in the *Environment Protection and Biodiversity Conservation Act 1999*.
- 5.37 The committee acknowledges concerns that Defence sites will be removed from the Commonwealth Heritage List once divested, properties in prime locations (those with harbour/foreshore frontage or in inner-city locations) will be acquired by luxury-housing developers, and state/local governments will be pressured or tempted to rezone the sites in such ways as to erode the heritage and environmental protections. The committee recognises that there would be limited options by which to reacquire a divested site, which would by then be unlikely to resemble what was divested.
- 5.38 The committee understands that Finance is currently conducting the due diligence phase of the divestment program, to investigate heritage and environmental considerations for each site, as well as other considerations (Indigenous, community, etc). As previously stated, these matters should have been investigated and determined prior to the government's decision to divest the assets. The committee concludes that this error should be rectified.

Recommendation 6

- 5.39 The committee recommends that the Australian Government commission an immediate, genuinely independent and comprehensive review of the Defence estate to assess the strategic, heritage, environmental and community values of Defence assets. This review should expressly identify and examine**

the impacts of divestments from the estate, to fully and accurately inform decision-making going forward.

- 5.40 The committee recognises that heritage management is complex and challenging, particularly in a large landholding such as the Defence estate. While not Defence's core business, the department is responsible for best practice management of the heritage assets that it owns or controls on behalf of the Australian people. The committee accepts that the department may be the best custodian for Australian military heritage assets and considers that there should be explicit legislative recognition and protection for these significant assets.

Recommendation 7

- 5.41 **The committee recommends that the Australian Government introduce legislation to create a new classification for the permanent protection of Australian Defence Force buildings, parade grounds, memorials, and museums that conserve the military, cultural or historical significance of these sites.**
- 5.42 Based on the submissions and evidence received throughout the inquiry, the committee considers that there should be an additional and effective check on the government in relation to divestments from the Defence estate.

Recommendation 8

- 5.43 **The committee recommends that the Australian Parliament enact new legislative powers to disallow any government decision to wholly or partially divest a defence estate asset to protect sites of national significance or strategic importance.**
- 5.44 Concerns were raised about significant environmental impacts on Commonwealth land, primarily in relation to existing contamination (ordnance and PFAS chemicals), and flora and fauna protected under the *Environment Protection and Biodiversity Conservation Act 1989*.
- 5.45 The committee considers that environmental matters should have been investigated prior to the government's announcement that the 67 Defence sites were to be divested. In recognition of Environment's expertise—and also in relation to heritage places and values—the committee has formed the view that this department should be more actively involved in the due diligence and divestment process, noting also that actions following the sale of specific sites are potentially controlled actions for which Environment has portfolio responsibility.

Transparency, accountability and review

5.46 Consistent with earlier comments on the strategic and national importance of various Defence sites, the lack of public confidence in the divestment program, and the concerns identified throughout the inquiry, the Parliament should periodically oversight the management of the Defence estate, particularly the program, through enhanced scrutiny, transparency and independent review. The Australian public expects no less from its elected representatives.

Recommendation 9

5.47 **The committee recommends that the Department of Defence include within its Annual Report more information on the management of the Defence estate. This should include at a minimum:**

- **the identification and net return for each disposal;**
- **the notification and timeframe for each proposed disposal;**
- **the specification of costs for each disposal (completed and proposed) including any recent investments;**
- **the capability projects funded from the proceeds of disposals; and**
- **assessment of whether savings and outcomes have been achieved.**

5.48 The committee understands that the Australian National Audit Office (ANAO) is considering an audit into the 'Management of Defence Estate divestments' in 2027–29. The committee reiterates its fundamental disagreement with the premise for the divestment program.

5.49 Notwithstanding the findings and recommendations of the committee's inquiry, if the divestment program proceeds the committee strongly urges the Auditor-General to consider conducting a comprehensive audit of the Security and Estate Group at Defence. This audit could comprise a preliminary investigation for the purposes of the ANAO audit and cover such matters as the cause of increased maintenance and sustainment costs, the efficacy of contracting base services, and the structure, decision-making processes and expertise of the Security and Estate Group.

Recommendation 10

5.50 The committee recommends that the Auditor-General of Australia commence a comprehensive performance audit of the Security and Estate Group in the Department of Defence in this term of Parliament. The audit should examine but not be constrained by:

- whether overcentralisation has contributed to the soaring costs of estate management;
- whether contracting base services complements capability or replaces it;
- whether too much power has been consolidated into the Security and Estate Group to the detriment of the force elements that it is intended to serve;
- the effect that consolidation of base services has had on:
 - competition and prices for basic services;
 - the ability of force elements to undertake basic tasks in a cost-effective manner;
 - the ability of local Small and Medium Enterprises to participate in the procurement process;
 - the ability to monitor and detect fraud;
 - whether the current Security and Estate Group reporting structure is fit for purpose; and
- any related matters.

5.51 The committee understands that, for reasons of commercial sensitivity, Defence was unable to publicly provide site valuations and costs estimates for the divestment sites. This would not have precluded financial information being provided confidentially to the committee.

5.52 The committee maintains that there should be accountability for the disposal of Commonwealth assets and expenditure, particularly those assets or projects with high value. The committee urges the government to approach this matter with the gravitas that it deserves and to integrate greater financial transparency into its management of the Defence estate.

5.53 The Defence Security and Estate Group is supporting the divestment of Defence sites, as recommended by the Defence Estate Audit and agreed by the government. The group also has responsibility for base services support functions. Through the inquiry, the committee found that there are concerns with various aspects of estate management, including:

- the propriety of tender selections;
- investment in assets already scheduled for divestment;
- the provision of pre-emptive advice to government;
- the lack of transparency in decision-making processes; and
- decision-making processes that exacerbate financial inefficiencies.

Recommendation 11

- 5.54 The committee recommends that the Department of Defence integrate greater transparency into its management of the Defence estate, including in relation to planning, rationalisation, divestment and the redevelopment of assets. This recommendation is intended to mandate greater transparency in public release of tender documentation, procurement contracts and conflict of interest declarations for all Defence undertakings.**
- 5.55 The committee commends its report to the Senate.

Senator Jessica Collins
Chair

Dissenting report of Australian Labor Party senators

Introduction

- 1.1 Labor senators welcome the opportunity this inquiry has provided to examine the effectiveness of the Defence estate for serving the needs of the Australian Defence Force (ADF), its personnel and the security of our nation.
- 1.2 We express our gratitude to the men and women of the ADF, our veterans, cadets and other individuals, organisations and officials who contributed to this inquiry by providing submissions and testimony at the public hearing.
- 1.3 Labor senators note that despite being established to explore ‘the alignment of Defence estate planning with Australia’s defence requirements’, the Coalition’s interim report ignores the strategic reality that necessitates Defence estate reform. Should the Coalition’s recommendations be accepted by government, the ADF would be deprived of the facilities and capabilities it requires, leaving every Australian less safe.

General comments

- 1.4 The purpose of the ADF, first and foremost, is the defence of Australia and its national interests, and the promotion of security and stability.
- 1.5 The deteriorating trends in our strategic environment have been well understood for many years. Our nation is faced with the most dangerous and unpredictable circumstances we have experienced since the end of the Second World War. The strategic environment is characterised by intense competition between major powers, and a range of threats to the global rules-based order, including coercive statecraft and grey-zone operations.
- 1.6 These threats are not academic; they represent a real and current risk to our nation that must be taken seriously – and immediately acted on – by any party seeking the responsibility of government.
- 1.7 It should be a bi-partisan position that the government does everything it can to orientate and posture the ADF to defend our nation. Given the strategic circumstances that our nation faces, Defence simply cannot continue to operate in ways that don’t take this into account. Instead of accepting and supporting this, the Coalition and the Greens would suggest Defence be a heritage organisation rather than a military force.
- 1.8 Unfortunately, under the previous government our ADF experienced a decade of delay in addressing this reality. Under the Abbot-Turnbull-Morrison Governments the ADF was left underequipped due to a lack of action on recruitment and retention shortfalls, critical procurements like the Collins Class

Submarine replacement plagued by delay and indecision, and deferral of the tough but necessary decisions needed on the structure, posture and location of the ADF.

- 1.9 In recognition of this strategic reality, the Albanese Government is moving at pace to expand and equip the ADF to fulfil its purpose of defending Australians and our interests.
- 1.10 As part of these efforts, the Albanese Government is rapidly increasing the size of the ADF, equipping our serving men and women with the modern equipment they require, growing Australia's sovereign defence industrial base, and strengthening security partnerships in our region through a network of new and upgraded alliances.
- 1.11 The Government is also reforming the structure of the ADF to ensure it remains equipped to address the nation's most significant strategic risks. The ADF is shifting from a balanced force to an integrated force, with an improved structure, posture and preparedness. Central to the improved structure of the ADF is the delivery of the recommendations of the Defence Estate Audit.
- 1.12 The bases, facilities and infrastructure that make up the Defence estate are fundamental to Defence's ability to train and sustain warfighting capability to defend Australia and our economic connection to the world.
- 1.13 Reforms to the Defence estate as recommended by the Defence Estate Audit must happen with the same urgency as every other effort by the Government to equip our ADF for the current strategic environment.
- 1.14 The Audit identified:

...more than 50 sites that were underutilised across Australia. The sustainment funds required to maintain these sites are estimated to reach in excess of \$2 billion over the next 25 years with no direct contribution to capability outcomes.¹

ADF people

- 1.15 The ADF has no more important capability than its people.
- 1.16 Labor senators acknowledge the deep connection that ADF people and their families, both current and former ADF, have with the establishments on which they live work and train.
- 1.17 During the inquiry, we heard evidence of, and were able to experience first-hand, defence sites that were not fit for purpose and do not provide Defence personnel with the facilities required by a modern military.

¹ Australian Government, Defence, 'Defence Estate Audit', www.defence.gov.au/about/reviews-inquiries/defence-estate-audit (accessed 15 September 2026), p. 91.

- 1.18 A renewed Defence estate is the best opportunity to provide Defence personnel with the facilities and bases they need, where they need them.
- 1.19 Labor senators appreciate the impact that relocations will have on personnel and their families. We welcome the Government's commitment that all divestments will be done in consultation with the affected workforce on a site-by-site basis.

Public access to ADF history

- 1.20 The Royal Australian Navy, Australian Army and Royal Australian Air Force – like the pre-federation military forces before them – are central to our nation's history. That history should be protected, but it should also be accessible to the Australian public.
- 1.21 The Audit found that Defence maintains at least 130 known museums, history rooms and displays, but that 80 per cent of these are not easily accessible to the public. Collectively this equates to 20 hectares of the estate dedicated to the storage of heritage items.
- 1.22 The Defence Estate Audit presents an opportunity to preserve historically significant sites while enhancing public access to some incredible parts of our nation's history – like the War Cabinet Room in Victoria Barracks, Melbourne. This heritage belongs to Australia, not Defence. Opening significant sites up to the public is a better heritage outcome than keeping them in defence hands.
- 1.23 The Committee heard substantial evidence from Defence, the Department of Finance, and the Department of Climate Change, Energy, the Environment and Water (DCCEEW) on the work departments are doing, in consultation with key heritage organisations including the Australian Heritage Council, to ensure all aspects of community consultation and history and heritage are considered throughout the process:

The Government is committed to preserving and enhancing public access to historically significant sites and collections so that all Australians can celebrate our military history... This work is being informed by engagement with key stakeholders, including the Australian War Memorial and relevant heritage and community bodies, to ensure outcomes are respectful, appropriate and aligned with national expectations.²

- 1.24 In particular, Labor senators note the evidence of DCCEW that there are legislative provisions in section 341ZE of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) to preserve heritage listed sites and sites with significant history and heritage value during the divestment process. As Defence has made clear in its evidence to the Committee, public access to historically significant sites would be enhanced through divestment, not reduced:

² Department of Defence, *Submission 125*, [p. 4].

...the future use of these sites will, in fact, make these sites more accessible to the community and to veterans, and that will make the history and heritage more lived in the day-to-day life of those communities.³

- 1.25 This contrasts starkly with the Coalition and the Greens who falsely paint the divestment process as leading to the loss of historical sites.

The history of Defence site divestments

- 1.26 These are difficult but necessary decisions. Defence is in this position because over the nine years of the Abbott-Turnbull-Morrison Governments, the Coalition failed to act on the warning signs. It is disappointing that the Coalition has now joined with the Greens, who fundamentally want to make Australia less safe by cutting the ADF. Their Faustian pact on this issue cements the Coalition as a party that does not take national security seriously.

- 1.27 Indeed, to read the majority report of this inquiry you would think that the Coalition never divested any parts of the Defence Estate. The record does not bear this out and demonstrates their hypocrisy. In 2015, Parliamentary Secretary to the Minister for Defence, the Member for Gippsland Darren Chester (now the Shadow Minister for Veterans' Affairs) issued a Media Release on 20 March 2015, announcing the then government's intention to divest Bulimba Barracks which said:

...the Defence estate was ageing and the cost of sustaining it was expensive and increasing. Selling the majority of the Bulimba site will reduce Defence's maintenance costs.⁴

- 1.28 Then Minister for Defence Industry, Melissa Price, and then Assistant Treasurer and Minister for Housing, Michael Sukkar, issued a media release on 27 February 2020 announcing the subsequent sale of Bulimba Barracks. Then Minister Price said:

A prime development site on the banks of the Brisbane River has been sold, with developer Shayher Group acquiring the previously Defence-owned land for a proposed housing development...This represents the Government's ongoing commitment to unlock surplus Commonwealth land for alternative uses, including housing.⁵

³ Ms Celia Perkins, Acting Associate Secretary, Department of Defence, *Committee Hansard*, 4 May 2026, p. 62.

⁴ The Hon Darren Chester MP, Parliamentary Secretary to the Minister for Defence, '[Parliamentary Secretary to the Minister for Defence – Defence to sell land on Brisbane River](#)', *Media Release*, 20 March 2015.

⁵ The Hon Melissa Price MP, Minister for Defence Industry and Minister for Science and Technology, and the Hon Michael Sukkar MP, Assistant Treasurer and Minister for Housing, '[Bulimba Barracks site sold to boost housing supply for inner Brisbane | Defence Ministers](#)', *Media Release*, 27 February 2020.

1.29 Then Minister Sukkar said:

While the states and territories have far greater land holdings that can be opened up for development, we are committed to releasing suitable Commonwealth land, including defence land, for private housing development.⁶

1.30 Under the Member for Gippsland's tenure as Parliamentary Secretary to the Minister for Defence the Coalition Government announced in June 2015 the divestment of the Pontville Small Arms Rifle Range Complex in Tasmania, and Leeuwin Barracks in Western Australia. In relation to Leeuwin Barracks Mr Chester said in a 4 June 2015 media release:

Defence has decided to sell Leeuwin Barracks in Fremantle, Western Australia...Defence had no ongoing operational or strategic need for the Leeuwin Barracks site and had decided to sell the property.⁷

1.31 In the same media release he stated of Pontville:

Defence no longer needs the Pontville site for training or operations and as a result the site will be sold...The sale of the Pontville site supports government estate consolidation objectives and, at the same time, releases a useful parcel of land for purchase by the public.⁸

Conclusion

1.32 The Coalition and Greens recommendation to halt the divestment is reckless and would leave the ADF without the modern facilities it needs to keep Australians safe. As the Coalition's own track record shows, this is a necessary part of ensuring Defence remains fit for purpose. To claim otherwise is dishonest and irresponsible, and not the behaviour a legitimate party of government should engage in.

1.33 Labor senators welcome the Albanese Government's commitment to consult with ADF personnel on a site-by-site basis and strongly support its decision to implement the recommendations of the Defence Estate Audit with the urgency that our strategic reality calls for.

⁶ The Hon Melissa Price MP, Minister for Defence Industry and Minister for Science and Technology, and the Hon Michael Sukkar MP, Assistant Treasurer and Minister for Housing, 'Bulimba Barracks site sold to boost housing supply for inner Brisbane', *Media Release*, 27 February 2020

⁷ The Hon Darren Chester MP, Assistant Minister for Defence, '[Parliamentary Secretary to the Minister for Defence - Defence to sell land in Tasmania | Defence Ministers](#)', *Media Release*, 4 June 2015.

⁸ The Hon Darren Chester MP, Assistant Minister for Defence, 'Parliamentary Secretary to the Minister for Defence - Defence to sell land in Tasmania', *Media Release*, 4 June 2015.

- 1.34 Labor senators look forward to the Committee's conclusion of its inquiry into this matter and the final report.

Senator Raff Ciccone
Deputy Chair

Additional comments - Australian Greens

- 1.1 The Greens support the committee recommendations in the majority report on the inquiry into the Management of Defence estate assets. These are additional comments to extend the recommendations and highlight a few additional matters.
- 1.2 This has been an important inquiry and the Greens are glad that we initiated it with the support of a majority in the Senate. Given what we heard in the inquiry we can now see more clearly why the Albanese Labor government opposed this inquiry. They have a lot to hide, and a lot to be ashamed of, in this sorry and grubby plan to privatise 67 Defence sites.
- 1.3 One critical point that came clearly from the overwhelming majority of witnesses and submissions is that this land should simply not be sold. Witness after witness said that we should keep public land in public hands.
- 1.4 While the committee's report notes the many negative, and real, impacts of this privatisation push on Defence capability, what is not highlighted is the impact on the broader community of the loss of so much important public land. Whether it is the historic Victoria Barracks in the heart of Sydney, the much-loved Lancer Barracks at Parramatta, the bluestone Victoria Barracks on St Kilda Road in Melbourne or the delightful HMAS *Penguin* at Middle Head, Sydney, these sites mean something to the community.
- 1.5 Neighbours, local councils and the Defence community all told us what a tragedy it would be to privatise these sites. To sell these incredible sites to the highest bidder in some kind of real estate fire sale to a well-connected Labor mate would be a national disgrace. We have all seen this before, where the spivs win and the community pays the price, and we don't want history to repeat.
- 1.6 If Defence really has no credible use for any of these sites, the answer is not selling the land to the highest bidder. The answer is to look to see what other public outcomes these sites can provide. If Defence vacates there is scope on many sites for well thought out public housing. Others have delightful green open space that could be opened up to the surrounding community and other sites have incredible heritage assets that should be preserved and repurposed for libraries, community centres and other important public uses.
- 1.7 We have heard throughout this inquiry various groups and individuals highlight the possible use for this land. This has included keeping the buildings for veterans' support services while protecting heritage, such as Australian National Veterans' Arts Museum, which has a long-standing plan to make the Repatriation Clinic at Victoria Barracks in St Kilda into a veteran arts and wellbeing hub.

- 1.8 There have also been calls for the protection of an endangered coastal forest and marine environment at HMAS *Penguin*. The Sydney Harbour Federation Trust pointed out that in 2005 HMAS *Platypus* in North Sydney was transferred to the Trust as a public park.¹ Multiple other submissions raised the need for more public housing, community spaces and more. None of this will be possible if the land is sold to private developers.
- 1.9 Throughout the inquiry the committee had to fight for the most basic information from Defence, such as when the Government decided to accept the audit recommendations. Other information including when important external stakeholders like police, councils and state governments were informed of the Government's decision to sell Defence estates had to be prised out of Defence over rounds of repeated questioning on the same topic. This is not how any public agency should respond to basic parliamentary scrutiny.
- 1.10 While the initial Defence Estate Audit noted that the divestment of the 67 properties could generate \$3 billion in gross revenue, with associated divestment and relocation costs expected to be \$1.2 billion, there continues to be a concerning lack of detail on how either of these figures was created. Defence routinely refused to provide information on even the range of potential sale prices for the properties or any information on the maintenance cost and remediation costs.² This lack of information only fuels distrust in the Government's approach and does not allow the Parliament and the public to make clear choices on the cost/benefit of selling the land.
- 1.11 The extraordinary request from Defence that information from the inquiry from officials not be shared on social media has further damaged public trust in Government. The following statement was made by Ms Celia Perkins, Deputy Secretary, Security and Estate, Department of Defence during the committee hearings:
- In closing, I would note for the record that the Defence witnesses appearing before the committee today are pleased to take your questions but do not consent to the reposting of our evidence to social media sites or the reproduction of our likenesses for purposes outside the framework of the parliament and the transparent public proceedings of this committee.³
- 1.12 While this request was swiftly rejected on advice from the Senate Clerk, it shows a hostility within Defence to public scrutiny that was pervasive throughout this inquiry.

¹ Sydney Harbour Federation Trust, *Submission 29*, p. 3.

² Department of Defence, answers to spoken questions on notice, 1 July 2026 (received 27 August 2026) p. 1; Department of Defence, answers to spoken questions on notice, 1 July 2026 (received 2 September 2026) pp. 1–2; Department of Defence, answers to written questions on notice, 26 August 2026 (received 14 September 2026).

³ *Committee Hansard*, 4 September 2026, p. 2.

- 1.13 Much of the land slated for sale has a deep connection to veterans and local communities. The Government's failure to talk with communities, or even to genuinely work with the three services inside Defence, before committing to the sale of this land is genuinely hard to comprehend. Defence have undertaken what is known as a 'decide and defend' approach.
- 1.14 The public's frustration at Labor and Defence's handling of the sale, and their behaviour in this inquiry, is real. It is founded in the decisions taken by the Government and its repeated and arrogant failure to justify them.

Recommendation 1

- 1.15 Public land should stay in public hands.**

Recommendation 2

- 1.16 The Department of Defence should answer questions plainly, promptly and honestly.**

Senator David Shoebridge
Member

Appendix 1

Submissions and additional information

Submissions

- 1 National Trust of South Australia
- 2 Fairbairn Golf Club
- 3 English-Speaking Union (Victoria Branch)
- 4 Abundant Housing Network Australia
- 5 New South Wales Lancers' Memorial Museum Inc
- 6 Aviation Historical Society of Australia Inc.
- 7 Australian National Veterans Arts Museum
 - 7.1 Supplementary to submission 7
- 8 The Paddington Society
- 9 Civil Aviation Historical Society
- 10 Planning Institute of Australia
- 11 Mosman Council
- 12 Fort Queenscliff Heritage Association Incorporated
- 13 Australian Strategic Policy Institute
- 14 Claremont RSL Sub Branch
- 15 Royal Australian Armoured Corps Association (NSW)
- 16 Royal Australian Institute of Architects
- 17 Australian Cadet Corps
- 18 Mosman Parks & Bushland Association
 - Attachment 1
- 19 Bacchus Marsh Aero Club
- 20 Navy League of Australia
- 21 Werribee District Historical Society Inc.
- 22 Queensland Air Museum
- 23 Department of Climate Change, Energy, the Environment and Water
- 24 National Trust of Australia (NSW)
- 25 City of Sydney Greens
- 26 National Trust of Australia (Queensland)
- 27 National Trust of Australia (Victoria)
- 28 Australian Council of National Trusts
- 29 Sydney Harbour Federation Trust (Harbour Trust)
- 30 Friends of Lee Point Inc.
- 31 Australia ICOMOS
- 32 Friends of the RAAF Museum Inc.
- 33 Royal United Services Institute for Defence and Security Studies - Australia
- 34 Scrap4kids
- 35 City of Nedlands

- 36 RSL Australia
- 37 203 Army Cadet Unit, Lancer Barracks
- 38 Department of Finance
- 39 Hobsons Bay Wetlands Centre
- 40 Queenscliffe Community Association Inc.
- 41 TBH
- 42 B-24 Liberator Memorial Australia
- 43 Air Force Association Ltd
- 44 LTCOL Philip Pyke OAM (Rtd)
- 45 Name Withheld
- 46 Ms Kim Strong
- 47 Name Withheld
- 48 Mr Ian Peters
- 49 COL Ross Byrne RFD (Rtd)
- 50 Mr Michael Sanderson
- 51 Andrey Arseniev
- 52 Name Withheld
- 53 Mr Theodore Hahn
- 54 Name Withheld
- 55 Dr Steve Campbell-Wright
- 56 Headland Preservation Group
- 57 David Chaplin
- 58 National Shelter
- 59 Australian Industry Group Defence Council
- 60 Shelter NSW
- 61 Ms Zali Steggal MP
- 62 Name Withheld
- 63 Name Withheld
- 64 Arif Rehman
- 65 Peter Jones
- 66 Name Withheld
- 67 Marshall Phillips
- 68 Professor Michael Davis
- 69 Esther Hayter
- 70 Mr Phillip Cornwell AM
- 71 Name Withheld
- 72 Name Withheld
- 73 Mrs Angela Newhouse
- 74 Mr Ryan Kilgower
- 75 Ms Jane McCrohon
- 76 Mark Pilkington
 - Attachment 1
 - Attachment 2

- Attachment 3
 - Attachment 4
- 77 RAND Australia
- 78 Australian Navy Cadets
- 79 Senator Ralph Babet
- Attachment 1
- 80 Allegra Spender MP
- 81 Name Withheld
- 82 Name Withheld
- 83 Madeleine and Duncan Fairweather
- 84 Heather Marcus OAM
- 85 Name Withheld
- 86 Peter Wargent
- 87 Mrs Rosemary Adams
- 88 Mr Thomas Lockley
- 89 Name Withheld
- 90 David Mitchell
- 90.1 Supplementary to submission 90
- 91 Mr Bill Morrison
- 92 Mr Christopher Abbott
- 93 Name Withheld
- 94 Mr Monish Zatakia
- 95 Ms Annabella Fletcher
- 96 Mr Tony Hooper
- 97 Name Withheld
- 98 Dr James Unkles CMDR RAN (Rtd)
- 99 Gillian Appleton
- 100 Paul Bardsley & Linda Gosling Heritage Architects
- 101 Ms Diane Salter
- 102 Name Withheld
- 103 Janet Keller
- 104 Name Withheld
- 105 Grace Cochrane AM
- 106 Cristine Davison and Donald Davison
- 107 Name Withheld
- 108 Ms Fiona Gardiner
- 109 Dr Stella McGinn
- 110 Name Withheld
- 111 Mrs Yolande Stone
- 112 Ms Diana Gibson
- 113 Mr Neil Fitzclarence
- 114 Ms Meghann Russell

- 115 Name Withheld
- 116 Name Withheld
- 117 Name Withheld
- 118 Name Withheld
- 119 Name Withheld
- 120 Michael Webster
- 121 Cr Zann Maxwell
- 122 Mr Roy Hives
- 123 Kevin Gogler
- 124 BRIG Kevin O'Brien CSC (Rtd)
- 125 Department of Defence
- 126 Ms Linda Bergin OAM
- 127 City of Melbourne
- 128 Woollahra Municipal Council
- 129 Rt Hon Clover Moore AO, Lord Mayor of Sydney
- 130 Tasmanian Government
- 131 Name Withheld
- 132 Mr Thomas Sherlock
- 133 Iain Macinnis
- 134 Name Withheld
- 135 Ms Felicity Wilson MP
- 136 Mr Robert Curran
- 137 Ms Sonja Pastor
- 138 Confidential
- 139 Confidential
- 140 Confidential
- 141 Name Withheld
- 142 Mr Richard Menhinick
- 143 Mr Barry Hobbs
- 144 Mr Mark Skipper
- 145 Ms Diane O'Neill
- 146 Keris Hodge
- 147 Ravi Raja
- 148 Mr Michael Bainbridge
- 149 Dr Justin Bowra
- 150 Sree Ram
- 151 Carmen Dodds
- 152 Greg Keane
- 153 Michael McCann
- 154 David Fairclough
- 155 Andrea Frost
- 156 Margaret Brown
- 157 Ashok Nallawalla

- 158 Joe Farrugia
- 159 John and Robyn Durack
- 160 Darleen Bungey
- 161 Adam Sprigg
- 162 Kerrie Scully
- 163 Tracey Brunswick
- 164 Mohanish Roychand
- 165 Patricio Bravo
- 166 Name Withheld
- 167 Dr Marie Geissler
- 168 Joseph Vella
- 169 Agata Margaret Kula
- 170 Paul Phillips
- 171 James Kightly
- 172 Puneet Jhari
- 173 Cassie Eklöf
- 174 Cecile Meehan
- 175 Ross Nicholas
- 176 Ann Cape
- 177 Judy Lane
- 178 Paul and Gail Harris
- 179 Mr Prateek Sharma
- 180 Rod Clancy
- 181 Form Letters - Samples
- 182 Campaign Emails - Samples
- 183 Confidential
- 184 Ms Sarah Bellenger
- 185 Name Withheld
- 186 Ms Penelope Hawe
- 187 Save Westernport
- 188 Ms Rosemary Hayman
- 189 Queenscliff Golf Club
- 190 Mr Stephen Coulter
- 191 Ms Deborah Wager
- 192 Defence Nutrition Australia
- 193 The Big Dry Company Pty Ltd

Additional Information

- 1 Dr James Unkles CMDR RAN (Rtd), Opening statement, tabled at a public hearing on 18 May 2026

Answer to Question on Notice

- 1 Navy League of Australia, answers to written questions on notice, 11 May 2026 (received 13 May 2026)

- 2 Australian Strategic Policy Institute, answers to written questions on notice, 5 May 2026 (received 15 May 2026)
- 3 New South Wales Lancers Museum, answers to written questions on notice, 11 May 2026 (received 18 May 2026)
- 4 203 Army Cadet Unit, answer to written questions on notice, 11 May 2026 (received 19 May 2026)
- 5 Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 7 May 2026 (received 19 May 2026)
- 6 Ms Jan Mason and Mr Jim Miller, answers to written questions on notice, 11 May 2026 (received 19 May 2026)
- 7 Lieutenant-General Ken Gillespie (Rtd), answer to written questions on notice, 21 May 2026 (received 21 May 2026)
- 8 Department of Defence, answers to spoken questions on notice, 4 May 2026 (received 21 May 2026)
- 9 Department of Defence, answers to written questions on notice (received 21 May 2026)
- 10 Dr James Unkles, answers to written questions on notice (received 25 May 2026)
- 11 Department of Finance, answers to written questions on notice from Senator Lambie, 11 May 2026 (received 26 May 2026)
- 12 Department of Finance, answers to written questions on notice from Senator Ciccone, 5 May 2026 (received 26 May 2026)
- 13 Department of Finance, answers to spoken questions on notice, 4 May 2026 (received 26 May 2026)
- 14 Department of Defence, answers to written questions on notice (received 26 May 2026)
- 15 Department of Defence, answers to spoken questions on notice from Senator Collins, 4 May 2026 (received 25 May 2026)
- 16 The Paddington Society, answers to spoken questions on notice, 8 May 2026 (2 June 2026)
- 17 Royal Australian Armoured Corps Association (NSW), answers to written questions on notice from Senator Lambie, 11 May 2026 (received 26 May 2026)
- 18 Mr David Chaplin, answer to written questions on notice from Senator Lambie, 21 May 2026 (received 22 May 2026)
- 19 Brigadier Kevin O'Brien, answers to written questions on notice from Senator Lambie, 14 May 2026 (received 28 May 2026)
- 20 Werribee District Historical Society Inc, answers to written questions on notice from Senator Lambie, 21 May 2026 (received 27 May 2026)
- 21 Major General Paul Irving (Rtd), RUSI, answers to written questions on notice from Senator Lambie, 28 May 2026 (received 29 May 2026)
- 22 Headland Preservation Group Inc, answer to written questions on notice from Senator Lambie, 14 May 2026 (received 29 May 2026)

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- 23 Australian Strategic Policy Institute, answer to written questions on notice from Senator Lambie, 14 May 2026 (received 29 May 2026)
 - 24 RAAF Association, answers to written questions on notice from Senator Lambie, 21 May 2026 (received 29 May 2026)
 - 25 National Trust of Australia (NSW), answers to written questions on notice from Senator Lambie, 14 May 2026 (received 29 May 2026)
 - 26 Harbour Trust, answers to written questions on notice from Senator Lambie, 14 May 2026 (received 29 May 2026)
 - 27 Harbour Trust, second set of answers to written questions on notice from Senator Lambie, 14 May 2026 (received 29 May 2026)
 - 28 Department of Climate Change, Energy, the Environment and Water, answers to written question on notice from Senator Collins, 7 May 2026 (received 18 June 2026)
 - 29 Aviation Historical Society of Australia, answers to written questions on notice, 21 May 2026 (received 4 June 2026)
 - 30 National Trust of Australia (Victoria), answers to written questions on notice from Senator Lambie, sent 21 May 2026 (received 4 June 2026)
 - 31 Department of Climate Change, Energy, the Environment and Water, answers to spoken questions on notice, 4 May 2026 (received 15 June 2026)
 - 32 Department of Defence, answers to written questions on notice (received 18 June 2026)
 - 33 Department of Defence, second set of answers to spoken question on notice, 4 May 2026 (received 18 June 2026)
 - 34 Department of Defence, answers to written question on notice (received 17 June 2026)
 - 35 Department of Defence, answers to spoken questions on notice, 4 May 2026 (received 30 June 2026)
 - 36 Department of Defence, answers to written questions on notice (received 30 June 2026)
 - 37 Ms Jan Mason and Mr Jim Miller, answers to spoken questions on notice, 4 May 2026 (received 2 July 2026)
 - 38 Australian National Veterans Arts Museum, answers to spoken questions on notice, 18 May 2026 (received 26 May 2026)
 - 39 Department of Defence, answers to spoken questions on notice, 4 May 2026 (received 28 July 2026)
 - 40 Department of Defence, answers to spoken questions taken on notice, 1 July 2026 (received 28 July 2026)
 - 41 Department of Defence, answers to written questions on notice (received 28 July 2026)
 - 42 Mr David Connoley, President, Queenscliff Community Association, answers to spoken questions on notice, 24 August 2026 (received 25 August 2026)
 - 43 Department of Defence, answers to spoken questions on notice, 1 July 2026 (received 27 August 2026)

- 44 Department of Defence, answers to spoken questions on notice, 1 July 2026 (received 2 September 2026)
- 45 Department of Finance, answers to written questions on notice, 26 August 2026 (received 4 Sept 2026)
- 46 Department of Defence, answers to spoken questions on notice, 1 July 2026 (received 4 Sept 2026)
- 47 CAPT Richard Morgan, answers to written questions on notice, 2 September 2026 (received 9 September 2026)
- 48 COL Ross Byrne (Rtd), answers to written questions on notice, 2 September 2026 (received 9 September 2026)
- 49 RADM Steve Gilmore CSC AM, answers to written questions on notice, 2 September 2026 (received 9 September 2026)
- 50 Mr Tim Hancock, answers to written questions on notice. 2 September 2026 (received 11 September 2026)
- 51 City of Launceston, answers to written questions on notice, 2 September 2026 (received 11 September 2026)
- 52 Department of Finance, answers to written questions on notice, 2 September 2026 (received 14 September 2026)
- 53 Department of Defence, answer to written question on notice, 26 August 2026 (received 14 September 2026)

Tabled Documents

- 1 Mr Mark Johnston, Executive Chairman, Australian National Veterans Arts Museum, Annotated Commonwealth property disposal process diagram, tabled at a public hearing on 18 May 2026.
- 2 Mr Mark Johnston, Executive Chairman, Australian National Veterans Arts Museum, Proposal to establish a Veteran Community arts and cultural institution, tabled at a public hearing on 18 May 2026.
- 3 Ms Jane Carnegie, President, Save Westernport, Divestment roadmap, tabled at a public hearing on 24 August 2026
- 4 Queenscliff Golf Club, Environment Management Plan 2019-2024, tabled at a public hearing on 24 August 2026
- 5 Ms Kerri Erler, Defence Estate Audit Government Responses to all 20 Recommendations, tabled at a public hearing on 24 August 2026
- 6 Ms Sandra Milne, presentation of the proposed divestment of Cerberus, tabled at a public hearing on 24 August 2026
- 7 Mr Graham Hobbs, President National Trust of Victoria (Geelong and Region branch), various documents, tabled at a public hearing on 24 August 2026
- 8 Ms Jane Carnegie, statement from UNESCO Westernport Biosphere, tabled at a public hearing on 24 August 2026
- 9 Mr David Connoley, President, Queenscliff Community Association Inc., letter from Department of Climate Change, Energy, the Environment and Water, tabled at a public hearing on 24 August 2026

- 10 COL Ross Byrne (Rtd), additional documents presented to the Committee, tabled at a public hearing on 27 August 2026
- 11 Mr John Hardy, Chief Executive Officer, RSL Tasmania, letter to Minister Khalil, tabled at a public hearing on 27 August 2026
- 12 Mr John Hardy, Chief Executive Officer, RSL Tasmania, letter from Ms Anne Urquhart MP, tabled at a public hearing on 27 August 2026

Appendix 2

Public hearing and witnesses

Monday 4 May 2026

Committee Room 2S1
Australian Parliament House
Canberra

Ms Jan Mason, Private capacity

Mr Jim Miller, Private capacity

RSL Australia (via videoconference)

- The Hon Peter Tinley AM, National President

Royal United Services Institute for Defence and Security Studies - Australia (via videoconference)

- MAJGEN Paul Irving AM PSM RFD (Rtd), President
- COL Andrew Kirby, President - Queensland

Royal New South Wales Lancers Memorial Museum

- Mr Len Koles, President

Royal Australian Armoured Corps Association (NSW) (via videoconference)

- BRIG Phillip Bridie AM, Executive Member
- MAJGEN Michael Krause AM, Vice President

Navy League of Australia

- Mr Mark Schweikert, Federal President

Abundant Housing Network Australia (via videoconference)

- Mr Jonathan O'Brien, Spokesperson

Department of Defence

- Ms Celia Perkins, Acting Associate Secretary
- Mr Peter West, First Assistant Secretary Estate Transformation

Department of Finance

- Mr Libor Pelecky, First Assistant Secretary, Property and Construction Division, Commercial Group
- Ms Anush Avakian, Assistant Secretary, Divestment Branch, Property and Construction Division, Commercial Group

Department of Climate Change, Energy, the Environment and Water

- Ms Michelle Dumazel, Head of Division, Heritage Division
- Ms Carmen Dwyer, Branch Head, Heritage Regulation and Assessments Branch, Heritage Division

Friday 8 May 2026

Remington Room
Sydney Masonic Centre
66 Goulburn Street
Sydney

Sydney Harbour Federation Trust

- Professor Tim Entwisle, Chair
- Ms Janet Carding, Executive Director

National Trust of Australia (NSW)

- Mr David Burdon, Conservation Director

The Paddington Society

- Ms Linda Gosling, Vice President
- Mr Paul Bardsley, Member

Headland Preservation Group

- Ms Jill L'Estrange, President

203 Army Cadet Unit, Lancer Barracks

- CAPT(AAC) David Field, Officer Commanding

BRIG Kevin O'Brien CSC (via teleconference), Private capacity

Australian Strategic Policy Institute (via teleconference)

- Mrs Raelene Lockhorst, Deputy Director National Security Program

Monday 18 May 2026

Buckingham Room
Stamford Plaza Melbourne
111 Little Collins St
Melbourne

Air Force Association Ltd (via teleconference)

- Mr John Bushell, President, RAAFA (Queensland)

Mr David Chaplin (via teleconference), Private capacity

Australian National Veterans Arts Museum

- Mr Mark Johnston, Executive Chairman

National Trust of Australia (Victoria)

- Ms Collette Brennan, Chief Executive Officer
- Ms Samantha Westbrooke, Executive Manager, Conservation and Advocacy

Aviation Historical Society of Australia (via teleconference)

- Mr David Prossor, President

Werribee District Historical Society

- Ms Lisa Heinrichs, President

*LTGEN Kenneth Gillespie (Rtd) (via teleconference), Private capacity**Dr James Unkles CMDR RAN (Rtd), Private capacity**Wednesday 1 July 2026*

Committee Room 2S1

Australia Parliament House

Canberra

Department of Defence

- Ms Celia Perkins, Deputy Secretary Security and Estate
- Mr Peter West, First Assistant Secretary Estate Transformation
- Ms Lee-anne Monterosso, First Assistant Secretary Service Delivery

Monday 24 August 2026

Queenscliff Town Hall

50 Learmonth Street

Queenscliff

Save Westernport

- Ms Jane Carnegie, President

Fort Queenscliff Heritage Association Incorporated

- Dr Bob Marmion, Secretary
- Mr Andrew Dagg, Treasurer

Queenscliffe Community Association Inc.

- Mr David Mitchell

Community session

- Queenscliff Golf Club
 - Mr Brad Teal OAM, President
- Mr David Kenwood
- Mr Adrian Barber
- Mr Stephen Coulter
- Queenscliffe Maritime Museum

- Ms Kerri Erler, President
- Westernport and Peninsula Protection Council
 - Ms Sandra Milne, Treasurer
- National Trust of Victoria, Geelong & Regional Branch
 - Mr Graham Hobbs, President
- Mr Christopher Legg
- Dr Peter Collins

Thursday 27 August 2026

Grand Chancellor Launceston

29 Cameron St

Launceston

RSL Tasmania

- Mr John Hardy, Chief Executive Officer

RSL Tasmania

- MAJ Peter Williams (Rtd), Northern Director

Launceston City Council

- Mayor Matthew Garwood, Mayor of Launceston

COL Ross Byrne (Rtd), Private capacity

LTCOL Philip Pyke OAM (Rtd) (via teleconference), Private capacity

RADM Steve Gilmore AM CSC (Rtd), Private capacity

Australian Navy Cadets (via teleconference)

- CAPT Richard Morgan, Volunteer Officer of Cadets, holding the position of National Commander

Mr Timothy Hancock, Private capacity

Friday 4 September 2026

Committee Room 2S3

Australia Parliament House

Canberra

Department of Defence

- Ms Celia Perkins, Deputy Secretary Security and Estate
- Mr Peter West, First Assistant Secretary Estate Transformation
- Mr Pat Sowry, First Assistant Secretary Infrastructure
- Ms Monique Hamilton PSM, First Assistant Secretary Defence Security and Chief Security Officer
- Ms Lee-anne Monterosso, First Assistant Secretary Service Delivery

Appendix 3

Sites identified for divestment

Recommendation 1. Defence reduce its property holdings through focussed divestment of sites at market value in areas not aligned with current or future capability priorities, with proceeds reinvested to the priorities outlined in the Defence Strategic Review.

Sites identified for divestment grouped by state and territories in alphabetical order:

- | | |
|--|---|
| 1. Fairbairn (golf course), ACT | 37. Burnie Training Depot, TAS |
| 2. Pialligo South, ACT | 38. Derwent Barracks, TAS |
| 3. Banksmeadow Training Depot, NSW | 39. Devonport – Training Ship Mersey, TAS (lease) |
| 4. Bathurst Stores Training Depot, NSW | 40. Devonport Training Depot, TAS |
| 5. Haberfield Training Depot, NSW | 41. Fort Direction, TAS |
| 6. HMAS <i>Penguin</i> , NSW | 42. George Town – Training Ship York, TAS (lease) |
| 7. Lancer Barracks, NSW | 43. Hobart – Training Ship Derwent, TAS (lease) |
| 8. Londonderry Transmitting Station, NSW | 44. Launceston – Training Ship Tamar, TAS (lease) |
| 9. Penrith Training Depot, NSW | 45. Scottsdale, TAS |
| 10. Pittwater Dive Annex, NSW | 46. St Helens – Training Ship Argonaut, TAS (lease) |
| 11. RAAF Glenbrook, NSW | 47. Stony Head Military Training Area, TAS |
| 12. Randwick Barracks (partial), NSW | 48. Youngtown Training Depot, TAS |
| 13. Spectacle Island, NSW | 49. Carlton Training Depot, VIC |
| 14. Timor Barracks, NSW | 50. Defence Site Maribyrnong, VIC |
| 15. Victoria Barracks Sydney, NSW | 51. Fort Queenscliff, VIC |
| 16. Defence Establishment Berrimah (partial), NT | 52. Geelong (Air Force Cadet Unit), VIC |
| 17. Kowandi North, NT | 53. Geelong – Training Ship Barwon, VIC (lease) |
| 18. Stokes Hill Fuel Installation, NT | 54. HMAS <i>Cerberus</i> (partial – golf course and off base land), VIC |
| 19. Atherton Rifle Range, QLD | 55. Kyneton Training Depot, VIC |
| 20. Garbutt (Duckworth Street), QLD | 56. Latchford Barracks, VIC |
| 21. Kokoda Barracks (partial – golf course), QLD | 57. Newland Barracks, VIC |
| 22. Magnetic Island (Amaroo Apartments), QLD | 58. RAAF Williams – Laverton, VIC |
| 23. Milne Bay Training Depot, QLD | 59. RAAF Williams – Point Cook, VIC |
| 24. Mount Isa Rifle Range, QLD (lease) | 60. Repatriation Clinic – 310 St Kilda Road, VIC |
| 25. Purga Rifle Range, QLD | 61. Sandringham Training Depot, VIC |
| 26. St Lucia Training Depot, QLD | 62. St Kilda Training Depot, VIC |
| 27. Strathmuir, QLD | 63. Swan Island (partial – golf course), VIC |
| 28. Victoria Barracks Brisbane, QLD | 64. Victoria Barracks Melbourne, VIC |
| 29. Wangetti Rifle Range, QLD (lease) | 65. Coolilup Rifle Range, WA (lease) |
| 30. Edinburgh Parks, SA | 66. Irwin Barracks, WA |
| 31. Hampstead Barracks, SA | 67. Karratha/Dampier Rifle Range, WA (lease) |
| 32. Warradale Barracks, SA | 68. Leeuwin Barracks, WA |
| 33. Woodside Barracks, SA | |
| 34. Bridgewater Training Depot, TAS (lease) | |
| 35. Buckland Military Training Area, TAS | |
| 36. Burnie – Training Ship Emu, TAS (lease) | |