



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES
COMMITTEE

Reference: Disposal of Defence properties

WEDNESDAY, 18 OCTOBER 2000

FREMANTLE

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SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE

Thursday, 19 October 2000

Members: Senator Hogg (*Chair*), Senator Sandy Macdonald (*Deputy Chair*), Senators Bourne, Hutchins, Lightfoot and West

Participating members: Senators Abetz, Bolkus, Boswell, Brown, Calvert, Chapman, Cook, Coonan, Crane, Eggleston, Faulkner, Ferguson, Ferris, Forshaw, Gibbs, Gibson, Harradine, Harris, Knowles, Mason, McGauran, Murphy, Payne, Tchen, Tierney and Watson

Senators in attendance: Senators Hogg, Hutchins, Lightfoot and West

Terms of reference for the inquiry:

For inquiry into and report on:

1. The importance and value of the Western Australian Army Museum and the Fremantle Artillery Barracks.
2. Whether the Fremantle Artillery Barracks is the most appropriate and suitable location for the Museum.
3. The reason for the disposal of the Fremantle Artillery Barracks.
4. The disposal of the Fremantle Artillery Barracks and the probity of the disposal process.
5. How the Australian Defence Organisation (ADO) decides whether property is surplus to requirements and the management or disposal of surplus property.
6. Sale and lease-back of ADO property.
7. Any other matter related to the above-mentioned issues.

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Committee met at 1.56 p.m.

CHAIR—I declare open this public meeting of the Senate Foreign Affairs Defence and Trade References Committee which is inquiring into the disposal of Defence properties and, in particular, the Artillery Barracks Fremantle. On 5 September the Senate referred the matter to this committee. The inquiry was advertised in the press on 12 September and to date the committee has received 41 submissions, many of which relate to the Artillery Barracks. This morning the committee inspected the whole site as well as Hobbs Hall which has been earmarked as a possible alternative site for the Army museum. This is the first public hearing to be conducted by the committee in this inquiry. There is one change to be advertised to the program: the Western Australian government will not be appearing tomorrow. The government's written submission, however, is available here for those who wish to read it.

On each of the two days of hearing, after completing the scheduled witnesses, and also after lunch tomorrow in place of the Western Australian government, the committee has agreed to hold an open session when interested members of the audience who have not been scheduled to appear at these hearings may make short statements to the committee about the subject of this inquiry. I should point out that this committee is a committee of inquiry only. It will make recommendations to the government in its report to the Senate. The committee has no power or authority to stop or delay the sale of this site, so people should be under no illusions. The Foreign Affairs, Defence and Trade References Committee, when it has traditionally sat in Western Australia, has sat at the state parliament committee's annex in Hay Street. Those offices were not available today and, at short notice, this venue was made available to us, hence a break from our normal tradition.

[1.58 p.m.]

GAYNOR, Ms Jill, Land Use Planner, City of Fremantle

GLICKMAN, Mr Ray, Chief Executive Officer, City of Fremantle

JOHNSTON, Mr David C., Councillor, City of Fremantle

KIERA, Ms Agnieszka, Heritage Architect Planner, City of Fremantle

UTTING, Mr Richard, Mayor, City of Fremantle

CHAIR—I welcome the Mayor of the City of Fremantle, Mr Richard Utting, and city officers. The committee prefers all evidence to be given in public, but should you at any stage wish to give any part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before it a written submission from the City of Fremantle. Are there any alterations or additions you would like to make to your submission at this stage?

Mr Utting—Senator, if I could talk to the submission, there are some additional—

CHAIR—No, I am just looking for alterations or deletions or additions to the submission material.

Mr Utting—No alterations to the material itself.

CHAIR—In which case I will now invite you to make an opening statement and then we will proceed to questions.

Mr Utting—Thank you. The City of Fremantle welcomes this opportunity to appear before this Senate inquiry. The City of Fremantle's key objectives with respect to this entire site are fourfold: firstly, to maximise public open space; secondly, to ensure the long-term future on the site for the military museum; thirdly, to maximise public access to the site; and, fourthly, to maintain both the built heritage and the open space. The city appreciates the general principle that under-utilised government assets should be disposed of at market price. However, that principle should be weighed, we would say, against the public good.

It has been reported that a sale to Notre Dame University would realise some \$4 million for the Department of Defence. However, from that, presumably, the cost of relocating the museum would be deducted. In any event, the city would say that is a paltry sum compared to the recently announced record budget surplus. One appreciates the Commonwealth Department of Defence would have a desire not to maintain this heritage site. As the state government has found with maintaining Fremantle Prison, it is an expensive business. But, of course, if the Department of Defence wanted to get rid of its maintenance responsibilities, they can do that easily enough by investing those maintenance responsibilities in the City of Fremantle. We would be delighted to do the job for them.

It seems to the city that the Department of Defence is being very short-sighted in rushing to dispose of this site. I say it for these reasons: the City of Fremantle is a major tourism destination within Australia. Research done for the city shows it ranks as an Australia-wide destination in the top 20. That means there are about 300,000 international visitors to Fremantle per year. The question then should be asked: why is Fremantle so popular with tourists?

Certainly a major factor is the heritage of the City of Fremantle. Fremantle has more heritage listed buildings than any other city in Australia. It is the best preserved 19th century sailing port in the world. It is not just the odd building here and there. If one visits Perth and has a look at the Barracks Arch—poor solitary creature that it is—one sees that was part of the pensioner barracks. It was a token to keep the arch and let people imagine what was there before. It is a pathetic attempt at heritage.

Whole precincts of Fremantle are heritage. I would certainly invite senators—if they have not already—to look at the west end of Fremantle, for example. Indeed, if you like, we can take you up to the clock tower on the town hall. If you look west you will see that part of the city is largely the same as it was 100 years ago. It is important to look at the whole and not say—as one could say about Kings Park—‘There is a lot of bush at Kings Park. Let us hive off a little bit here for residential development and a little bit there for commercial development.’ That gives Fremantle a tourist presence in Australia.

What then is the value of heritage tourism? A report released yesterday by the Australian Bureau of Statistics found that international tourism directly accounts for some 4.5 per cent of GDP or, translated, \$58.2 billion worth of goods and services. That is the value of tourism; that is the value to the Commonwealth government; and that is the value of taking a long-term view and long-term realisation that heritage has a commercial value.

The heritage precinct here that we now sit in has great potential to enhance Fremantle’s reputation as an international tourist destination. There have been approaches, as the committee will know, from consultants acting for the Department of Defence. I tender their response to the city’s policy over this district, a submission by BSD Consultants. It is addressed to the Strategic Planning Group, City of Fremantle, dated 15 September 2000. The author is Jenny Smithson, a director of BSD Consultants. I will tender copies of that. I will take the committee to page 11 of the submission headed ‘Development Option’. The first paragraph begins with the words ‘BSD has formulated development option for the Artillery Barracks site, as a possible alternative’ for the city’s draft policy. They talk of ‘Option 1: Aggressive’.

CHAIR—Before you proceed, can I just clarify whether any part of this document is confidential.

Mr Utting—There was a confidential attachment—which you will see as a blank page—and that has been taken out. That was the only part of the document marked ‘Confidential’.

CHAIR—That is what alerted me to it. I was not sure if that had been removed.

Mr Utting—Yes, that has been removed. If you look at the aggressive option that they talk about, the second paragraph says:

The option identifies the conversion of the Navy Store structure for a 2-storey residential apartment building and the triangular portion of land on the northern tip of the site—

the Tuckfield Street oval, as we call it—

... has been identified as a future R40 development site housing which would yield approximately 18 units. The Signal Station and the surrounding open space has been identified for transfer to the Council. In return, a portion of the site owned by the Council would be transferred to the developer and has been identified as suitable for future development. It has been marked as a potential R60 site which would yield approximately 14 units. In addition, an area at the corner of Burt and Tuckfield Streets (previously occupied by a vehicle ramp) and land on Tuckfield Street adjacent to Rifle Cottage have been identified as possible new single residential lots, accommodating 5 new lots in total.

That is the aggressive option. We would say that that option illustrates the stark difference between the concept of good government of the Department of Defence compared to that of the City of Fremantle. It would be in the city's best short-term financial interest to adopt that option. At the moment the city gets nothing in rates from the site—nothing. We maintain the public open space that is vested in the city. With this aggressive option we would probably, at an estimation, receive in rates from the new developments proposed and commercialisation of existing buildings at least \$100,000 a year, and that would be a very good financial return for the City of Fremantle.

But it is not in the best interests of our community. We pride the city on being one of the most democratic local governments in Australia. That means we talk to, we consult with and we listen to our community and we give effect to their legitimate aspirations. We would describe option one, the aggressive option put up by the Department of Defence, as an act of barbarity worthy only of the vandals.

The Department of Defence has not consulted with this community; it has not listened to what people want. I tender an analysis of submissions received by the City of Fremantle in response to our draft policy. That shows that both the people within Fremantle and the state in general support our policy with respect to this site. That document is headed 'Fremantle Artillery Barracks and Cantonment Hill Reserve policy: postcode analysis of submissions'. I will not refer to that document but I tender it for information. I also tender comments from the Australian Heritage Commission, a letter dated 20 September 2000 addressed to Jill Gaynor of the Strategic Planning Group. That is from Dr Barry Reville, the deputy executive director. As a bundle, perhaps, I also tender a letter from the Heritage Council of Western Australia dated 14 September 2000, addressed again to Ms Jill Gaynor from Ian Baxter, the director, and also a letter from Considine and Griffiths Architects Pty Ltd. They were the ones who you may recall did the 1996 conservation plan over this area. That is a letter dated 19 July 2000 by Mr Philip Griffiths, the author. Just in summary, in that document, he says:

I therefore thank you for the opportunity to review the policy and offer my full support of its intentions. The place is so important that firm policies are required. It is my belief the Heritage Council will support these policies also.

I tender those three letters as a bundle. In essence, they give strong and wholehearted support to the city's policies.

The city, of course, had a number of meetings with the Army Museum of Western Australia, who are in residence here. It is my belief that if that museum were transferred to the Karrakatta Barracks they would wither and die. They would do that because, quite frankly, nobody would visit the barracks in Karrakatta. The last time I was there was when I was conscripted for

national service in 1967, and I say it is not a place I desire to return to. In terms of the advantage of the museum being in the City of Fremantle, and I have mentioned international tourism to Fremantle, research shows that in aggregate, international, interstate and local visitors, Fremantle attracts 1.2 million people a year. With the enhancement of this precinct, that is a number that the museum can tap into. The city has recently set up a CAT system, a central area transit system, which enhances the accessibility of this area, as well as the Fremantle Art Centre, to the CBD. No-one will go to Karrakatta. It is, of course, coincidental that there is a cemetery rather close to it.

The importance of the museum in general I need not go into. As I said, I was conscripted; I went to Vietnam. I think it is essential that the sort of work this museum is doing is carried on and is accessible to a wide range of people. It is accessible in Fremantle; it will not be in Karrakatta.

In discussions with the museum I have seen the master plan that they have prepared with the city's assistance, and I have seen the business plan. I do not know whether the senators have seen that as yet. No doubt the museum will talk about it tomorrow, but I would tender this for the committee. This is the master plan for the management of the artillery barracks precinct, Cantonment Hill, Fremantle. Without going through that in detail, I have looked at it and I have discussed it with the museum people. May I say that the city would endorse the general thrust of that plan. It seems to the city that that would best achieve the aims of our community, who are all of course Australian taxpayers. That concludes my opening comments.

CHAIR—Are there any opening statements from any of your colleagues? If not, we will proceed to questions. I will open by asking when did you first become aware that the site was the subject of potential purchase?

Mr Utting—The first or the second time?

CHAIR—I was going to go back to the first time. I am talking specifically about the second time. The first time, I understand, was back in the early 1980s.

Mr Utting—In 1981, I think. I will get Jill Gaynor to answer that.

Ms Gaynor—We received a phone call from the Department of Defence in April of this year identifying that the site was being examined. It was not until May that we received confirmation that the site was indeed surplus.

CHAIR—Who called you on that occasion?

Ms Gaynor—It was Meredith Turner. That was on 20 April.

CHAIR—From Canberra?

Ms Gaynor—Yes. We became aware of it, though, through earlier newspaper reports that the site was being examined.

CHAIR—Was that in May or earlier?

Ms Gaynor—The newspaper stories?

CHAIR—Yes.

Ms Gaynor—That was probably 11 April 2000.

CHAIR—What were those newspaper stories basically saying?

Ms Gaynor—In newspaperspeak they called it ‘a threat to the barracks’.

CHAIR—When the council became aware from the call from Canberra on 20 April did council then discuss if they were prepared to make a bid for the site as well?

Mr Utting—Council has never been asked whether they were interested in making a bid for the site.

CHAIR—So following on from the call of 20 April there was no written communication or formal discussions with the council as to whether or not the council wanted to show an interest in the site.

Mr Utting—There has never been any invitation for the City of Fremantle to make an offer for the site, on any conditions whatsoever. The only communications it has had with the Department of Defence have always been along the lines that the site is surplus to requirements and that it emerged that Notre Dame were the preferred purchaser.

CHAIR—When did you actually confirm that the site was going to be sold as surplus to Defence needs?

Mr Utting—The notification of that was on 19 May, after several requests to the Department of Defence seeking replies to various inquiries the city had made. We received a reply on 19 May saying that the barracks was a candidate for disposal and that Notre Dame had priority status, that the sale application was still being considered by Finance and Administration.

The city’s interest started earlier because the CBC school, which had leased the Tuckfield Street oval, relocated. In January this year there was a petition to try and get the Tuckfield Street space vested in the city. We wrote to them simply because, as it was not required by the school, it seemed to be something the city should take an interest in and try and achieve that as public open space. There were a series of letters written about that, and then it unfolded that the entire site was a candidate for disposal. The first time we received official notification of that was on 19 May 2000.

CHAIR—Was that in written form?

Mr Utting—There was a letter.

CHAIR—Could we get a copy of that letter at some stage?

Ms Gaynor—I can arrange that for you, yes.

CHAIR—Thank you. The information we have in the submission from the Department of Defence is that they gave us a chronology of the events. If you look at their submission, you will find that on 15 May 2000:

The Minister for Finance and Administration, the Honourable John Fahey MP agrees in principle to the proposed sale of artillery barracks to Notre Dame, however noting that the preservation and protection of the heritage attributes of the site and that the disposal should be at market value should be conditions of the sale.

Were you aware of that statement in the Department of Defence's submission, and does it surprise you that it seemed to have been locked up four days prior to your receiving notification?

Mr Utting—I would presume the letter of 15 May was in response to the minister's decision.

CHAIR—When you say you had communications with the Department of Defence, was that with the Defence Estate, was that with the office of the minister or are there a range of different people, whether it be the parliamentary secretary, whether it be the minister, or whether it be the office of the department that you wrote to?

Mr Utting—The first letter about the Tuckfield Street open space was addressed to the Defence Estate Organisation. There is a local office here, so it was sent locally.

CHAIR—So it was sent locally, not to Canberra?

Mr Utting—Not to Canberra. But we understand it got rerouted to Canberra, possibly by a very slow carrier pigeon, and seemed to get lost in the process. We had to write a number of letters saying, 'What is going on?'

CHAIR—So what was the date of that letter?

Mr Utting—It was 3 February 2000.

CHAIR—And that was to the local Defence Estate?

Mr Utting—Yes.

CHAIR—When do you receive a response to that letter? Written or verbal, I do not mind.

Mr Utting—The written response to our letter of 3 February 2000 was the letter of 19 May 2000.

CHAIR—You said there were other items of correspondence.

Mr Utting—We have corresponded with a lot of people in the government over this. There have certainly been letters sent to Minister for Defence, the Minister for Finance and Administration, the Prime Minister and so on. But as far as the nuts and bolts are concerned the initial one was to the Defence Estate Organisation here. It got re-routed to Canberra, and we got that response from DEO on 19 May. We have had a series of meetings and correspondence with them since then.

CHAIR—Post 19 May what became the driver for the Defence Estate Organisation to meet with the City of Fremantle Council?

Mr Utting—A series of things happened. There was a large rally in Fremantle on 21 May, through both the streets of Fremantle and here. We wrote on 26 May to the Minister for Defence and all state MPs urging the site be retained in public ownership. On 30 May, at our request, we met with the DEO and told them we were preparing a policy over this site—as of course we would, as there was considerable public interest in it.

Senator WEST—How long had you been preparing that policy?

Mr Utting—The policy was obviously prepared as a matter of urgency as soon as we got the letter of 19 May which gave official confirmation that there was a possible, even imminent, disposal of the site. So it was important to undertake that as a matter of urgency. We completed our draft policy on 6 June 2000. We released it—we sent a copy of the policy—on 26 June to Notre Dame, DEO and other stakeholders.

CHAIR—What meetings were held post 30 May?

Mr Utting—We adopted the policy on 10 July 2000. Prior to that, there was a draft policy that had been circulated to interested bodies, including Notre Dame and DEO.

CHAIR—Was that inviting public comment?

Mr Utting—Yes.

CHAIR—Between 30 May and 10 July did you meet with DEO or representatives of DEO?

Mr Utting—No.

CHAIR—Did you have meetings with representatives of the minister's office?

Mr Utting—No.

CHAIR—Did you meet with the parliamentary secretary to the minister?

Mr Utting—No, I did not. The meeting we had with the Canberra DEO people was on 2 August 2000, at their request. The second meeting with them was—

CHAIR—Who was present at that meeting?

Ms Gaynor—At the 2 August meeting the City of Fremantle was represented by Richard Utting, the Mayor; Ray Glickman, the CEO; Geoff Broad, the director of planning; Rob Jefferies, the manager of strategic planning; and me, Jill Gaynor, the land use planner. The Defence Estate Organisation was represented by Liz Clarke, the acting assistant secretary of property management; Meredith Turner, a project officer; and Alan Griffith from the local regional office of the Defence Estate Organisation. There was another gentleman there, whose name we did not get. Defence Estate Organisation also brought along at that time consultants they had employed to assist with the sale of the property. From Knight Frank there was Steven Seaward, Brian Cole and David Eades.

Senator WEST—What was the role of these consultants as you understood it?

Ms Gaynor—We understood—and understand—that the role of the consultants was to assist the Defence Estate Organisation in preparing the site for sale, and that included a review of the conservation plan. Defence are of the opinion that the conservation plan requires review. They were also going to look at other environmental factors that may impact on the property. They had also mentioned that there may be flora, fauna and traffic studies. The purpose of doing those studies was to help develop an accurate valuation of the site.

CHAIR—So in a sense they were seeking your assistance to help them to sell the property?

Mr Utting—I do not know that they were seeking our assistance. I do recall advising them to consult with the local community—a suggestion they seemed to regard as rather bizarre and novel. We were certainly not in the business of advising them how to maximise return. We made it clear that the city wanted the site to remain in public ownership in some form or another. We said that the worst thing that could happen to this site was for it to be sold holus bolus to a private developer, because that would then fall into the aggressive option development that the BSD Consultants have run.

CHAIR—Before we come to those issues could I just take you back to 1981. In your submission you indicated, as you said earlier this afternoon, that you had an indication from the then Department of Administrative Services that the site was surplus to the requirements in 1981. What action did the council take back in 1981 when it found out that this site was surplus to the needs as indicated by the Department of Administrative Services?

Mr Utting—We have done a search for the records, as far as that can be done. I will get Jill Gaynor to give you the results of that search.

Ms Gaynor—From what we can ascertain—given that I do not believe any of us were employed by council at the time—again the government was reviewing its land holdings during 1981 and 1982. Council was approached by the Department of Administrative Services regarding a proposal to construct additional housing on this site to meet a need for Defence housing in Perth. In 1981 the City of Fremantle advised that it was not in favour of additional housing on the site and expressed an interest in purchase of the site. A more local issue at the time was that we requested that the fence on the oval be removed—I assume to allow the local community access to that open space as well. That is all I can ascertain from the council records. We also know that various politicians at the time took up attempts to secure the

Tuckfield Street open space as open space for the general community. So it has been an issue in this community for almost two decades.

CHAIR—Did it surprise you that you were not approached on this occasion, since your council—albeit a long time ago—had expressed an interest in the site?

Mr Utting—Yes, it did. Notwithstanding the technically that we do not fall within the criteria under the Commonwealth Land Acquisition Act, which gives a legal right in certain circumstances for the original owner to be offered the land, we expected—in view of the previous approach by the city in 1981 expressing an interest, in view of the fact that the land was originally acquired from the city, in view of the fact of the interest shown for two decades in certainly the Tuckfield Street oval being public open space—that the Department of Defence, or the Defence Estate Organisation, would have approached us to see whether we were interested, rather than being presented with what appeared to us as being a fait accompli of a priority sale of Notre Dame.

CHAIR—Have there been any other priority sales in this area, to your knowledge?

Mr Utting—No.

Ms Gaynor—None, to my knowledge.

CHAIR—Has the council expressed interest in other properties which may have been owned by any federal or state government department in seeking to buy those back for the purposes of the City of Fremantle?

Mr Utting—There has been some vesting. For example, the Round House at Arthur Head in the City of Fremantle was vested by the state government—it is an A-class reserve—and something similar happened with the Fremantle Arts Centre in 1972. But to our knowledge, there has not been a situation where the city has purchased or requested to purchase land from either state or federal government.

CHAIR—What about the Drill Hall in Mouat Street?

Mr Utting—The old Drill Hall ended up being a Commonwealth agency for marine safety, I think. That was purchased by Notre Dame.

CHAIR—That was done—as we are informed by Notre Dame—as a priority sale.

Mr Utting—It might have been; we did not know. All we knew was that they had purchased it from the Commonwealth.

CHAIR—Would you have been interested in that property?

Mr Utting—No.

CHAIR—So what makes this property different? That is what I am trying to get to.

Mr Utting—When you say ‘different’—the Drill Hall in the west end was taken over by the Commonwealth, and there are heritage constraints as to what anyone can do with it to make sure the heritage of that building is preserved and enhanced. Everyone would pay tribute to the work Notre Dame has done within the west end of Fremantle in preserving and enhancing the heritage of a large number of buildings down there. The Drill Hall was a logical expansion for them in the west end. It did not cost the city any rates because rates were not being paid by the Commonwealth anyway. So there is really no downside.

We are not talking about an isolated building, as I have said. We are talking about the entire precinct of the artillery barracks, and we say the entire precinct is significant. People say, ‘Oh well, Tuckfield Street doesn’t really mean anything. It was used by CBC as an oval.’ But the fact of the matter is Tuckfield Street was used by the Army for their drayhorses. Tuckfield Street has remnants of old stables on it. In the days when the complex was built, the drayhorses were essential to transport munitions and artillery pieces, to bring in supplies and all the rest of it. So it is an integral part of this precinct and the significance of it is well outlined in our submission and the documents I have tendered from the Australian Heritage Commission, the WA Heritage Council and the architects who did the conservation plans. There is no doubt about the intense heritage significance of this place in its entirety—both the built form and the open space. If Notre Dame or anyone had come and said, ‘We’re going to purchase this Drill Hall in the West end of Fremantle and we’re going to knock it down,’ or ‘We’re going to adapt it and put a 24-storey building on it,’ or had proposed an approach as the defence department’s consultants have proposed for this location, then I tell you, all hell would have broken loose over that. So that is the difference between here and there.

Senator SANDY MACDONALD—Mr Utting, are you opposed to the sale per se?

Mr Utting—Yes.

Senator SANDY MACDONALD—So, for argument’s sake, if Notre Dame was to be the successful purchaser and gave an undertaking about the future of the museum, that would not satisfy council.

Mr Utting—Notre Dame may well be the least worst alternative. From the city’s point of view, the worst alternative would be a rapacious private developer who does an option 1 as contemplated by Defence’s consultant. That would simply be, as I have described it, an act of barbarism. It would be appalling.

Senator SANDY MACDONALD—Do you have a large number of rapacious developers in Fremantle?

Mr Utting—We have beaten most of them off. But every now and then we get some very thick-headed people that do not get the message.

Senator SANDY MACDONALD—I am a simple country man. I must say that I am very impressed with your development. A lot of it is very attractive.

Mr Johnston—May I add to that answer? Senator Macdonald, you asked if we would be satisfied if Notre Dame were the purchaser and undertook to preserve the museum. The

museum is an important element, but it is not the only element. As Mr Utting has made clear, the entire site has significance. So I think it is a mistake to say, 'Sell it but guarantee preservation of the museum.'

Senator SANDY MACDONALD—But is it not fair to say that there is no building on the site which would not be subject to heritage restrictions?

Mr Utting—The buildings would all be subject to approval of certainly the Heritage Council of WA for them to be changed or altered. But there are two points about the Army Museum. Firstly, as I have said, this is a fantastic location for the Army Museum, because of the 1.2 million people who visit Fremantle. So they get a share of that. Fremantle is more than one port of call, because people can come here and see the museum, go to the Fremantle Arts Centre, go to the movies, have lunch, have a drink, go to the maritime museum. There is a whole bunch of things that people do.

The museum cannot afford to maintain these buildings. The cost of maintaining the Fremantle Prison is about \$300,000 a year, just to do basic maintenance. I would imagine the maintenance costs for these buildings would be a similar ballpark figure. They cannot afford to do that. If Notre Dame was prepared to say to them—and presumably Defence would have to deduct this from the purchase price—firstly, that they would maintain the buildings that the museum is in and, secondly, that they would guarantee them some sort of income stream, then that may well solve the museum's difficulties.

At the moment, Defence—and it will be an interesting scenario—does contribute a modest amount. It probably works out in labour and some assistance to perhaps \$10,000 or \$20,000 a year. The Department of Defence said, 'You are going to move'—and there seems to be some requirement that the museum be located on Defence premises. I said to the Army people, 'What's going to happen if you don't? Are they going to send the MPs in to drag you off?' They said, 'No. We're going to stay.' But, the financial support the Commonwealth gave them will probably be withdrawn. So they need to have an income stream. If Notre Dame can guarantee all of that to the satisfaction of the museum, then I think that part of the problem might be solvable—but, from the city's point of view, not if Notre Dame is going to finance that by flogging off Tuckfield Street for some hideous luxury development.

Senator SANDY MACDONALD—That is my next question—although it is not along the lines of flogging it off for some hideous development. What zoning does that playing field presently have?

Mr Utting—It is zoned as public space at the moment but everybody concedes that it is a developable site and that it is the jewel in the crown of this precinct.

Senator SANDY MACDONALD—Does the state government have zoning power over that kind of open space?

Mr Utting—I will get Ms Gaynor to go through the technicalities of dividing and rezoning.

Senator SANDY MACDONALD—Briefly.

Ms Gaynor—As briefly as a town planner can. There are two levels of zoning in metropolitan Perth. The state government administers a statutory region scheme. Does everyone understand the difference between a zone and a reserve? A reserve is generally a creation to safeguard land for roads, school sites, hospital sites and those sorts of government installations. So in this case the barracks sit on land that, at the metropolitan level, is zoned partly for urban use.

Imagine a line down the middle of the signal station, because that is where the difference in the zoning lies. For some historical reason, there is a line halfway down the signal station. The land to the north-east of that is zoned for urban use at the metropolitan level and then the southern portion is a Commonwealth government reserve. At the local authority scheme level, our reserves are the same. So the southern portion of the site is reserved for Commonwealth government purposes and the northern section in the local scheme is reserved for open space. I can tender copies of the scheme maps if that would help to clarify the situation.

CHAIR—Yes, it would. We will accept those as part of the documentation.

Senator SANDY MACDONALD—In view of the fact that the present zoning would not prevent development of some form or other, what is the council's view about not a rapacious development but sensitive development of that site?

Mr Utting—Council's view is that that area should be public open space and that it should be vested or whatever in the city so that it will remain public open space forever.

Senator SANDY MACDONALD—I saw it only this morning, but there is no particularly intrinsic value in that open space when one considers the amount of continuing development.

Mr Johnston—Perhaps I could take up that point. The so-called Tuckfield Street open space is in this corner of the site amongst all of that green area of reserve. If you look at the contours, you can see that it is the only flat area—you inspected the site this morning—and the only area that could be regarded as public open space where you can take your children and kick a ball around. You cannot do that elsewhere. Other sites are hilly and covered with vegetation. If we look elsewhere in this area—you cannot do that on this map—the residents of areas here and here—

Senator LIGHTFOOT—Can you give some directions for the *Hansard* record?

Mr Johnston—The residents to the east of Tuckfield Street and to the south of Burt Street have no public open space. Let us concentrate on the residents to the east of Tuckfield Street: they have no public open space in which they can exercise or take their children to without crossing a four-lane road on two sides and a busy two-lane road on a steep hill on the other side. There is absolutely no other public open space accessible to the community other than the Tuckfield Street open space in this vicinity. It has significance beyond its size in that regard: it is the only space. It is not public open space at the moment—that is conceded—but the city's desire is that it should be.

Senator SANDY MACDONALD—How would you make it more attractive?

Mr Johnston—Do you mean a barbecue or something?

Senator SANDY MACDONALD—I can see perhaps with an eye for vision that it may be a beautiful piece of open space, but at the moment we are barely at the beginning of spring and it is pretty dry. Although it is mowed, it does not conjure up to me the sort of park-like vision that I see around me elsewhere in Perth.

Mr Utting—Of course, Senator. Can I get back to the four objectives from the city's point of view, which are to maximise public open space, maximise public access to the entire site and maintain the heritage, both built and open space. What the city would want would be to link the Tuckfield Street open space into the rest of the open space around the signal station, basically.

Senator SANDY MACDONALD—Certainly, Mr Utting, I can appreciate that. I know that perhaps it has not been possible for you to do very much with the Cantonment Hill Reserve, but that has not got very much public usage. I am not a botanist—and certainly am without any local knowledge—but it is not very inspiring. That is an area of open space that you have had, and I just wondered whether you might have done a little bit more with that.

Mr Utting—We have done a lot already. We have had a bush regenerator working on Cantonment Hill. A lookout has been put there. We have the ability, if the Tuckfield Street area is drawn in that, to link the two so that there can be paths throughout that area. We are trying to develop the original remnant vegetation of Fremantle there.

Senator SANDY MACDONALD—It appeared to me to be mostly lantana bush.

Mr Utting—Somebody coming from perhaps the eastern seaboard, the rainforests or the parts of Tasmania which have yet to be flooded by that government in their democratic wisdom, might find the original bushland at Fremantle uninspiring, but it is ours. It is ours; it is our people. It is not your people, Senator; it is ours. That is why we are trying to protect it.

Senator HUTCHINS—Are you going to have that open space regenerated like your bit is now, if you had your way? Would you have your parks and gardens people go in there and let it go back to what it might have been originally?

Mr Utting—There are a number of alternatives, and that would be one of them. We will be guided as to what happens there by the input of the community, as Councillor Johnston said. Those people in the immediate vicinity have little, if any, accessible public open space to kick a footy. That might be an option. There might be all sorts of options that could be developed, but the essential principle is that it should be public open space, from the city's point of view.

Mr Glickman—We have produced a range of public space management plans where we look at the topographical nature, the historical nature and the recreation needs in the area, and determine the best manner in which those public open space areas should be preserved, conserved and used, so it is a case by case situation.

Senator HUTCHINS—So you have a number of plans that you could use the open space for if you acquired it.

Mr Glickman—We have certainly done a lot of work on the Cantonment Hill Reserve, which we do control. Were we to gain control and guaranteed public usage of a broader space then there would be a further strategic process take place as to exactly how to use it. But I think it is clear, as Councillor Johnston has said, that one of the overriding principles would be the need for open space that families can use for normal recreation.

Ms Kiera—I think we have a recognition of the social and historical value of the open space and the fact that the open space is very much a part of the barracks complex and is integrated with it. The value of that open space, as recognised by its heritage significance, is not only in terms of how it is aesthetically pleasing or how it could be upgraded—although that potential is obviously valid and should continue. We have a recognition that the community of Fremantle is associated with the sites as they are—emotionally, spiritually and in terms of the historical development of this site in relation to the city, and particularly its strategic location in a major approach to the city. That recognition goes very far back because the whole site was placed on the heritage database in the 1980s—I do not have a precise date at this point. Until there is a perceived threat to the site, there is no need to take urgent action. That is not an explanation as to why the city has no plans to upgrade the open space. If this open space is threatened, that plan can always be prepared. I think the threat comes from the fact that any potential development is not confined only to the barracks itself but extends to the integrated site.

Senator HUTCHINS—I may be a cynical easterner, but I do not see any aesthetic value in the vacant block of land—which is how it appeared to me—that I saw this morning.

Ms Kiera—I am trying to say that not only its aesthetic value but its historical value, the community association with it and its strategic visual location in the approach to the city are important. It is not only its aesthetic value—how it looks—but its openness and the fact that it is there.

Senator HUTCHINS—You may like to comment on page 5 of your submission, where you say:

More disturbing is the admission from Defence Estate Organisation representatives following the announcement of this Senate inquiry, that the Inquiry will have no impact on the sale of the Fremantle Artillery Barracks which will proceed regardless of the Inquiry outcomes.

Who said that to you or your officers?

Ms Gaynor—That statement was made by Liz Clarke at a meeting held between the City of Fremantle and Defence Estate Organisation on 15 September this year.

Senator HUTCHINS—Who were the council's representatives?

Ms Gaynor—Ray Glickman, Chief Executive; Rob Jefferies, the Manager of Strategic Planning; and me, the Land Use Planner. The mayor was overseas at the time.

Senator HUTCHINS—Was it just Ms Liz Clarke?

Ms Gaynor—Representing the Defence Estate Organisation was Liz Clarke and she was accompanied by Alan Griffith from the local regional Defence Estate Organisation office and David Eades came from Knight Frank.

Senator LIGHTFOOT—I have to do two things, Mr Chairman. First, I must apologise for being late. Secondly, I must declare some interest in this matter other than the interest that I share with my committee colleagues: I am a former national serviceman, I belong to the RSL and I have given a \$40 donation to the museum. That does not make me a member; it was only a donation.

CHAIR—I was going to declare that interest on your behalf, but I thought I would let you do it.

Senator LIGHTFOOT—Yes, you knew that I would do it, Mr Chairman.

CHAIR—I knew that you would confess.

Senator HUTCHINS—We thought you had given more.

Senator LIGHTFOOT—I guess if you aggregate everything I give, it would be reasonable.

CHAIR—Get his cheque before he goes.

Senator LIGHTFOOT—Having declared my interest, I want to ask the mayor of Fremantle whether his vision for the area—you may have answered this question, Mr Utting; I apologise if you have—encompasses the whole of the precinct, which includes the oval, the cottages, the A-class reserve et cetera, or is there some flexibility in your approach to that retention?

Mr Utting—We talk about the entire precinct, which includes the Tuckfield Street area. I do not know if you were here, Senator, but I said earlier that we are uncovering evidence that the Tuckfield Street area has historic attachment to the artillery site. That is where the drayhorses were stabled—their stable is there—so it is an integral part of the heritage site. I also said that, having had a look at the master plan prepared by the museum people—and I imagine they will be speaking more fully about that tomorrow—we generally endorse their plan as an appropriate mechanism for this site. That plan would mean that the public open space would be with the City of Fremantle, and that includes Tuckfield Park. They would get an income stream from leasing some of the buildings—the accommodation areas and perhaps some of the workshops on Burt and Tuckfield streets—which would enable the maintenance of the heritage buildings to be done properly.

Senator LIGHTFOOT—If there were a shortfall with respect to the museum's master plan, would the City of Fremantle be prepared to underwrite that?

Mr Utting—The city may well be prepared to do that. We would expect that plan to have an interest in total management of the site and to obviously help the museum as much as we can. I would have thought that there is capacity. We subsidise a number of organisations throughout Fremantle like the Artists Foundation of WA out of the Moores Building and social, cultural and sporting clubs; so I imagine this precinct would fall into that category.

Senator LIGHTFOOT—There are some similarities between Kalgoorlie and Fremantle—obviously they do not superimpose—but Kalgoorlie has what is called the ‘endowment block’; that is, a lot of the old buildings belong to the city of Kalgoorlie-Boulder. I do not think anyone who has been to Kalgoorlie-Boulder would have any view of these buildings other than that they are very well maintained. They make Kalgoorlie what it is and give it the character that it has today. Fremantle has buildings of that particular vintage—a lot of them—and that is the only similarity, but a significant one. Could Fremantle maintain those buildings in the fashion that, say, the city of Kalgoorlie-Boulder does?

Mr Utting—We do. The Moores Building is a classic example of that. The Moores Building was a derelict warehouse. It was purchased by the City of Fremantle in 1983 with the America’s Cup money. It was restored by the City of Fremantle and that restoration is continuing. It is marvellously restored. It is occupied by the Artists Foundation, which is, essentially, a community artists group. That involves the city in a degree of subsidy in forgone commercial rent from a property. That is certainly the shining light, as it were, where the city has taken a derelict building and has not only restored it to its pristine purity but done it so that a community arts group has a home. That is one area.

The second area is that the city owns a number of properties leased out on a commercial basis, and of course conditions of the lease require the building to be properly maintained in a heritage condition. The City of Fremantle has only 14,000 ratepayers. We do not have many ratepayers for a regional city such as Fremantle, so we need an income from our commercial streams to compensate for the fact that, unfortunately, financial assistance from Commonwealth and state governments over the last five years has diminished to a frightening extent. If we had the money we would love to buy this building. We would like to elbow out Notre Dame University and say, ‘We want to buy the whole thing.’ But it is hard to get that money.

Senator LIGHTFOOT—May I play devil’s advocate? If there were an alternative plan, I imagine that, if it did not involve Fremantle to any large degree—I am not talking about any level of reluctance, although there would be some—it should go to the state government. Is that a reasonable comment, notwithstanding the reluctance?

Mr Utting—It depends what the state wants to do with it. I have a great fear that if the state government was involved with this they would insist that Tuckfield Street be disposed of and that certain other developments occur on this site to limit their exposure. We think that is a very short-sighted approach. We think this precinct has a great opportunity to be a great tourist attraction—and tourism is a major income earner for both state and federal governments. So we think any minor financial pain at this stage will be well compensated for in the long term by maintaining a tourist flow.

Senator LIGHTFOOT—I am still being the devil, Mr Mayor—

Mr Utting—That is not like you, Senator.

Senator LIGHTFOOT—It is not, no. I am very predictable and very quiet most of the time.

CHAIR—Order!

Senator LIGHTFOOT—I will start telling the truth now. Given that the playing field, as it is referred to euphemistically, is juxtaposed with areas that have been developed—they are very tasteful developments; I do not think anyone would say anything other than that the developments are appealing both across the river and adjacent to the playing field on this side of the river—what will its value be if it is subdivided? I know there are lots of caveats regarding that. I talked with Minister Kierath's office, and it seems that it is almost impossible—if not impossible—to remove those caveats and allow that development. But let us say that it could be developed into blocks of, say, 300 square metres. What would be the value of that development then? Obviously you can give only a generic figure.

Mr Utting—I did tender when you were not here, Senator, that the advisers to the defence department, BSD—their report appears at page 11—talk about former school playing fields yielding approximately 18 units. You would imagine that, on current property values, those units would have to range between \$250,000 and \$500,000 each. So, if you are looking at \$500,000 and 18 units, it would be a \$9 million price tag.

Senator LIGHTFOOT—Just for the land value?

Mr Utting—Yes.

CHAIR—Did you say just for the land value or land plus property?

Mr Utting—You are looking at a return of \$9 million, from which you would deduct your construction holding costs and so on. But it would still make that piece of land worth in the vicinity of \$4 million to \$5 million, I would have thought, with that sort of intensive development.

Senator LIGHTFOOT—In any case, it is well in excess of any offer that we have heard of to date.

Mr Utting—Yes.

Senator LIGHTFOOT—What of the proposal that has support from the state government—I must admit that I lean towards a Fremantle-state government solution to the development and the maintenance of this precinct—that, if it became the permanent home to the museum, the Western Australia University Regiment and the cadet movement in Western Australia, it would perhaps attract—I have no reason to say this except that I have talked to some members of the state government—more sympathy and support from the state government as a result? Does that fit in with your plans?

Mr Utting—It would certainly fit in with the historic use of this precinct as an Army establishment. From a personal point of view, I would prefer the Department of Defence to flog off very expensive land in east Fremantle, which is littered with horrible buildings constructed in the 1960s, and move up here—but perhaps they like river views.

Senator LIGHTFOOT—What about the facilities—particularly Defence facilities—that the Commonwealth has withdrawn from Western Australia? You are a former national serviceman so I am sure that you would be well aware of some of them. I can recall one: the Western

Command band. There are no full-time Army bands left in Western Australia now; they are in the Sydney-Melbourne-Canberra triangle or axis. Do you know of any other major facilities that have been withdrawn from Western Australia?

Mr Utting—There has been a continual downrunning. I do not know whether 22 Construction are still here, but there was certainly a suggestion that they would go. I think the only regular military forces here are really the SAS. The reserves are having some difficulty—I think I have seen information that the government is having difficulty getting people to join the reserve forces.

However, on the other hand, the Navy presence in Western Australia out of Stirling has increased dramatically. It could be said that, instead of the military band, we now have a naval band and it is closer to Fremantle. So the Army side of things has certainly been wound down, whereas the submarines and other parts have maybe been increased. But the training facilities at the old base of Leeuwin—they had 1,000 or so cadets training out of Leeuwin—has gone. Presumably, the Commonwealth government wants to keep Leeuwin in reserve as some sort of safe haven: it played that role with the East Timorese and the people from Kosovo. Perhaps they want to maintain that facility in case illegal immigrants keep arriving; I do not know. But they could certainly sell for housing all Commonwealth land that is not occupied by any heritage buildings and, quite frankly, no-one would worry about it. But this is the sensitive precinct, Senator.

Senator LIGHTFOOT—You have been able to test public sentiment. How wide and varied is that public support? Is it coming from one particular section? Does it come just from the RSL and the RSL veterans or from a wider cross-section of the local community?

Mr Utting—Support is completely across the board: it comes from service groups, museum groups and residents from both throughout Fremantle and the wider region. I have had letters from people in Scarborough and people in the country urging the retention of this precinct in public ownership.

Senator LIGHTFOOT—So it is not just a matter of politics, is it?

Mr Utting—No, it is not. It is the wish of the Western Australian community at all levels that this entire precinct be retained in public ownership.

Senator LIGHTFOOT—Thank you, Mr Mayor. I appreciate your contribution.

Senator WEST—You said earlier that the council was never involved in the consultation process when it was decided by Defence that land was surplus to requirements. What is the status of Leeuwin? Is it surplus to requirements, is it staying or is it still up in the air?

Mr Utting—I do not know. That is not in our precinct; it is in the town of East Fremantle.

Senator WEST—So it is not in Fremantle city.

Mr Utting—It is not within our boundaries.

Senator WEST—Turning to your previous experience with the sale or disposal of Commonwealth land, did consultation processes take place? Was the council involved in those negotiations and, if so, was it involved from a very early stage or did it come in late?

Ms Gaynor—To my knowledge—and I can only speak for myself—there has been no sale of any Commonwealth property that we have been made aware of in the 5½ years I have been at council. We are aware that Defence owns another property in Fremantle, on the corner of Swanbourne and Knutsford streets. We have been working with the local Defence staff preparing a policy for that site—in fact, promoting development of that one for housing. I am not sure of the official status of that piece of land, whether that has been deemed surplus. It has got some old tanks on the site and is another site that is badly degraded and a blight on the Fremantle community. We are trying to get that one developed to improve its value and so that it provides something back to the communities. That is the only other Commonwealth site I am aware of. I do not know if Agnieszka is aware of any.

Ms Kiera—Yes, I can add one, though I am not very familiar with the situation with it at this time. It is the Drill Hall in the Parry Street extension. However, as far as I can say, it was not the subject of a sale but of revesting orders with the state government and us.

Senator WEST—The council was involved in the consultation process?

Ms Kiera—We were involved in the consultation process as part of the development of a management plan for the Fremantle Prison precinct, which included what is called the Drill Hall and the justice centre.

Senator WEST—With regard to the work that BSD did, they were the consultants employed by the Department of Defence to work up the proposals for the site—is that correct?

Mr Utting—The document that went before you is their response to our draft policy. They are a planning group, it seems, rather than a commercial disposal group, so they are making comments from a planning perspective and looking at what could be, for example, the option 1 for potential development there.

Senator WEST—Who has come up with this option 1?

Mr Utting—They did.

Senator WEST—What consultation did they undertake with the council in the formulation of their proposals?

Mr Utting—This is in response to us making sure that all stakeholders had our draft policy and had an opportunity to comment on it, so these are their comments on it. They make various suggestions and give us options.

Senator WEST—Yes, I have had a quick look at that.

Mr Utting—They gave us option 1 as what would be aggressive development for this entire precinct.

Senator WEST—Had they put out anything before this, or is this their first?

Mr Utting—This is their first one, I think.

Ms Gaynor—Yes, this is their first one. That scenario has been put to us in order for council to provide comments back to them on what we think about their development scenario.

Senator WEST—Are you happy with the consultation process?

Mr Utting—We have not been consulted; we have been told. I do not think I am stating it too baldly by saying that. We were never asked what our views would be. We were never asked whether we were in a position to purchase the site, either ourselves or in conjunction with the state government or with whatever. The land was bought from Fremantle Town Trust originally. We were not consulted; we were told—and that is something that we as a city and a community find particularly arrogant by the Department of Defence.

Senator WEST—You said you had a meeting on 2 August and that at that meeting consultants for Knight Frank were present. Have they been in touch with council about what council's ideas are? Has there been any consultation or communication from them?

Mr Utting—No. My understanding of their role is that—subject to the planning consultants going through this particular mechanism and the policies and everything else being locked in—they would then be in a situation to advise the defence department of a price as to what could be realised. Of course the option that includes option 1, the potential 18 units on Tuckfield Street and another half dozen or so along Tuckfield and Burt streets, would clearly put a huge price on this precinct.

CHAIR—Point 9 of Notre Dame's submission states:

The University does not accept the view that the best use of the site as a whole is for it to be, in effect, handed over to the Museum volunteers. In our view the public interest and the interests of the city would be much better served by a joint tenancy arrangement involving the Museum, the University and the Fremantle City Council. The University would be very happy with the site remaining in public ownership (either Commonwealth or State), with appropriate leasing and managerial arrangements being entered into in relation to the occupancy of various portions by the above three parties. The overall management of the site could be placed by government in the hands of a board representative of these three parties. If the Museum eventually moves, the University would like to replace it in the buildings it occupies.

I invite your comments about that.

Mr Utting—We have had discussions with Notre Dame, and that scenario has been suggested before. As I said to Senator Macdonald, there are two aspects regarding the museum: first, it must have a long-term future here; and, secondly, the buildings it occupies must be maintained by some mechanism. If the museum does not get an income stream under its management plan—I do not know who will do the maintenance; that will have to be sorted out—it will not be able to afford its maintenance. The museum needs a modest income stream in other areas for its day-to-day activities so that it can properly market and expand the popularity of the museum. Notre Dame have not addressed the questions of maintenance or an income stream for the museum. Until those two things are nailed down, it is hard to be terribly

positive about their comments—although, philosophically, if Notre Dame came in, paid a commercial rent and paid rates to the city for a change, we would consider it.

CHAIR—All right. So you have not concluded discussions with Notre Dame on that particular issue?

Mr Utting—A suggestion has been raised with them, but we have not—

CHAIR—You have not pursued it.

Mr Utting—We have not pursued it. As I have said, from the city's point of view, a rapacious developer would be the worst scenario. Notre Dame might be the least worst but, from the city's point of view, the best that has been presented so far are the ideas about the museum.

Mr Johnston—Could I make an observation about the houses facing west on Queen Victoria Street? I live in the area so I pass there quite often. I was greatly surprised yesterday morning—this is whimsical comment—to find workmen in the cottages down there busy cleaning out the front yards. I suppose it may have happened anyway, but it could have had something to do with your inspection this morning.

CHAIR—I assure you that we went in through the back gate.

Mr Johnston—That is all right. The houses down there are generally uncared for. The letterboxes are usually stuffed full of junk mail, which blows into the yards of the houses and onto the street. Yesterday workmen were there cleaning out the yards. They had those blower things and they were blowing the rubbish out of the properties along the yard onto the footpath and across the footpath onto the public roadway, which outraged my civic sensibilities at the time. But I was somewhat comforted on returning home that evening. You will know about the strength of the Fremantle Doctor, which blows from the west quite strongly. That evening most of the rubbish had blown back into the properties.

CHAIR—I think that is a reasonable note to finish on. Thank you very much for your submission and the evidence that you have given to the committee this afternoon. It is welcome indeed. As always, the committee will take away the evidence that is given to it and consider that in the final drafting of any report that it brings down. It should be said that the terms of reference of this committee are broader than just simply the Artillery Barracks but involve the broader probity of Defence Estate in its dealings with the disposal of its properties. So it is the intention of the committee to bring down either a first report or an interim report which will cover this aspect of the Defence Estate, but then the committee will look in greater detail at the rest of the Defence Estate. I cannot promise anyone when that report will be brought down by, but we hope that it will not be too long into the new year; maybe even before Christmas.

Proceedings suspended from 3.26 p.m. to 3.44 p.m.

CRAIG, Mr Terry, Campus Services Manager, University of Notre Dame

TANNOCK, Dr Peter Darcy, Vice-Chancellor, University of Notre Dame

CHAIR—Welcome. The committee prefers all evidence to be given in public, but should you at any stage wish to give any or part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before it a written submission from the University of Notre Dame. Are there any alterations or additions you would like to make to your submission at this stage?

Dr Tannock—No.

CHAIR—I now invite you to make an opening statement and then we will proceed to questions.

Dr Tannock—My opening statement in some respects is a summary of the submission, but there is some new material in it as well. I will be happy to answer questions either on the submission or the additions. The university has had a longstanding interest in the site of the Artillery Barracks in Fremantle. We first had discussions with the Department of Defence back in the early 1990s, or perhaps even the late 1980s, about possibly acquiring it or using it, when we were establishing ourselves in Fremantle. Nothing came of those discussions. I think the main reason was that we simply were not ready for it; we were not big enough or strong enough or had enough resources to justify pursuing it.

Towards the end of the 1990s—I cannot remember precisely when it was; it was either late 1998 or early 1999—I wrote to Defence asking if they were considering disposing of this site as part of the general program of asset realisation. I told them that, if they were, we had an interest in it, we regarded it as very suitable as a potential second campus for the university for the long term and we would like to be considered by Defence for priority sale. The Minister for Defence wrote back to me—again, I cannot remember the date of the letter; I would be happy to provide these letters to the committee—and he said: ‘We are disposing of assets all over the country. It is the subject of review. We have made no decisions about the property to which you refer, but, if we were to sell it, we would almost certainly sell it at public auction and you would have to pay whatever the market price was in competition with everyone else.’

There was some gap in the correspondence but we wrote back and said, ‘We would like you to think again about that and to consider our request, rather than selling it on the open market, because if it does go on the open market it will go to a developer, there will probably be a bidding war and we will be pushed out.’ He or someone from his department wrote back and said, ‘Even if we wanted to give you priority sale status, we cannot because you do not qualify.’ Then we went back to him and said: ‘In fact, we do qualify for priority sale status because under the law we are a Commonwealth funded agency—some of our funding comes from the Commonwealth. We have already been given first option and have exercised it over the purchase of the Drill Hall, down in the west end of Fremantle, from the Maritime Safety Authority when they decided to sell it. We would like you to do the same thing for us.’

To cut a long story short, after a lengthy period of time we were informed that the decision had been made to sell the site, that the matter of priority status was a matter for the minister for finance and that he was considering whether or not he would accede to our request. We asked the minister for education—this, of course, was part of the process of establishing whether we were eligible for priority status—to support our representations on the basis that it would be very good for this university and also in the public interest, if the Commonwealth sold the site, for it to go to Notre Dame. Eventually, in about May last year, the minister for finance finally made a decision and said: ‘Yes, we are prepared to give you priority sale status. We are prepared to give you first option to buy it.’ He reiterated what everyone all along had said: you will pay full market value for it, as determined by the Valuer-General. At no stage was a price mentioned. We have never had the slightest suggestion as to what the property was worth or, indeed, even how the government would go about valuing it—we have had no detailed discussions with them about that.

I have gone into some detail on this, because I know it is an issue for the committee and it is an issue in the public. As far as we are concerned, we acted with total propriety in this matter. There is nothing unusual about priority sales of Commonwealth or state properties. They happen all the time, if governments determine that there is a good reason for them and that they fit within whatever the appropriate guidelines are. We have not tried in any way to conceal our interest in the site. The report on our interest in the site first appeared in a quite lengthy article in the *Sunday Times* two years ago. Joe Poprzeczny telephoned me and said: ‘Somebody’s told me you’re interested in buying the artillery barracks site. Is that true?’ I said: ‘Yes, it is. We’re having discussions with the Commonwealth.’ He wrote quite a lengthy article two years ago. The issue appeared on and off in the media over that period, and it has become much more intense over this year. The only general point I want to make is that we certainly have not been secretive. We have visited the site and inspected it. We have sought permission from the museum and from the university regiment to look at it. We have been shown the accommodation by the Defence Estate people, and it has been a very normal process for us.

As far as our interest in the site is concerned, why do we think it is such an important site for the university? We believe that it is very beautiful. The historic buildings on this site match very well the historic buildings in the west end of Fremantle, which we have restored, developed and made a real showpiece in Fremantle. This has done great things for not only the quality of the environment but also those who hold real estate in the area. It is a beautiful, interesting and significant site, which would add much to the quality of the ambience of the university.

As far as our educational and related purposes are concerned, we propose to use the site for residential accommodation for students to the extent that we can. The cottages on the site would be used for students. There are two good houses on the site which in the first instance, and maybe in the long term, we would use for visiting staff members. This certainly would not apply to me, but at some time in the future one of the houses might be occupied by a vice-chancellor. Most universities provide vice-chancellors with housing. One of those Defence houses would be suitable for that purpose, but I emphasise that it would not be for me. So we would use the residential accommodation on the site for students and staff. We would use some of the other smaller buildings on the site for residential purposes too, if they could be adapted to that purpose—and we think some of those small sheds and other buildings surrounding the parade ground could be.

The main buildings on the site—or at least those buildings to which we were given access—we would use for teaching purposes. If we were given access to the whole of the Artillery Barracks itself, much of which is presently occupied by the museum and the university regiment, we would use it for teaching and other related purposes. We would probably house one of our major faculties or colleges on this campus—probably the College of Health, with its different programs in areas such as nursing, counselling, a proposed graduate school of medicine, health and physical education and possibly the therapies. Eventually the College of Health at Notre Dame—that is some way off—is likely to have somewhere in the order of 600 to 800 students, and this site would be very good for them. But it could also be another large college like the College of Business.

I will say a few things about the Army Museum. First of all, we think the museum should remain on the site—and we have thought that from the very beginning. In our first communications with the Commonwealth, we made it clear that we liked the museum, we supported it, we saw its operation as being complementary to the university and that we would be very happy to live with it, side by side. In our main communication with the Commonwealth on the future of the Army Museum on that site, we said that, if the university purchased the site, we would see the museum given a 20-year peppercorn lease on their facilities with a renewal option, with the question of whether they remained beyond the 20 years to be determined by a review group comprising the Commonwealth government, the state government, the Fremantle Council, the university and the museum itself.

Our main reason for questioning whether the museum would be a long-term incumbent here really relates to whether we think they are a permanent institution; we are not sure that they are. I know they think they are, and I hope they are. But any group that are heavily dependent upon a volunteer support base in Australia today has question marks over their capacity to sustain a long-term presence. If they can, they should stay long term. They should stay indefinitely—indeed, as long as the university itself, if we were to be an occupant.

There were a couple of other questions relating to why the university should be on the site, or why we thought the university should be on the site, quite apart from the fact that we think the buildings would be very useful to us. This is our perspective, and others might not share it. If we were on the site, we would make very productive use of it, and we think that is important. We think we would bring life and productivity to the east end of Fremantle, as we have to the west end. At the moment, the Artillery Barracks has, in some respects, a sense of the mausoleum about it: there is not much life here for much of the time. We believe there is a need to protect and preserve this unique site, but someone has to pay for it and sustain it. We are a permanent institution and we can do this.

We believe it is a serious possibility that the Artillery Barracks—whatever the good intentions of people who want to do other things with it—will become a white elephant like the Fremantle Gaol. That is a big facility right in the middle of Fremantle that was decommissioned about 10 years ago. All sorts of people said, ‘Oh, we are going to do this with it and we are going to do that with it,’ but, 10 years on, it is a mouldering and very disappointing enterprise. Nobody is prepared—or does not seem to be—to put up the money to maintain it. It is a great problem in the community. The council will not put up the money for it, the state government naturally has other priorities and the volunteer groups associated with it do not have any money—even though they did not want anybody else to go in there and do anything commercial

with it. It is a big problem. I know quite a bit about it because I serve on the committee that is trying to work out what might happen to it in the future.

There are other examples like that, I am sure, all over Australia. We thought, if the university came in here, it would be seen by people like the council, the Commonwealth and the community as an important way of preserving and making productive use, in a harmonious and positive way, of this beautiful site and the lovely old buildings on it. We would guarantee public access; we would certainly not undertake any development on the site, beyond—and I will say more about this in a minute—possibly the oval; and we, of course, would maintain the bushland and the other things that make it so unique.

As far as the oval is concerned, I want to say this. It is far and away the most valuable piece of real estate on the place. It is developable—I have said this in my submission—and would only be purchased, if it were purchased on a commercial basis, at a very high cost. We would rather the oval stayed as public open space. We would be very happy to see it vested in the council as public open space, and maintained for the community in that way. But, if that does happen, someone has got to make a hard decision. What we could not afford to do is to buy the site—and especially to buy the oval and pay full commercial price for it—and do nothing with it. We would have to either sell it off, or perhaps turn it into student accommodation in the long term. We just could not afford to pay what it is worth and donate it as public open space. We would be very happy if the Commonwealth would do that, or we would be very happy if the state would buy it from the Commonwealth and in that way deliver some funds to the Commonwealth.

On the question of purchase or lease, again, let me say this: we would be more than happy for the whole site to remain in public ownership and for Notre Dame to be either a sole or a joint lessee, with the museum and the council, of the site. There is no advantage to us in actual purchase over lease. We understand about leases; there are leases all over Australia relating to educational institutions, universities, schools, hospitals, charitable organisations and football clubs—they have all got leases. Our Broome campus, which is the second campus of this university, is a lease from the state government. The old Court House down the far end of Fremantle, which was built in 1884 and was derelict, we have leased from the state government on condition we restored it and used it for educational purposes and made it available for public access. So there is plenty of precedent for us in a leasing arrangement.

Why didn't we pursue the leasing option? Simply because we were told it was not on; the Commonwealth was going to sell this site; it wanted to realise funds for its defence purposes, and leasing was not the way it wanted to go. I think we were also told by Defence that the Commonwealth, actually having made the decision to quit these sites, really wanted to quit them and that leasehold did not represent quitting. But we would have been happy with the lease arrangement; indeed, we would still be happy with it.

There is one other reason why I thought—and again, you will probably say, 'He would say that, wouldn't he'—that it would be a good thing for the university to go to this site, and that is that the university is very important to the future of Fremantle. It is in the city's interests and the community's interests to support this university and to facilitate our development. We are an ideal business for Fremantle: we are clean, we are green, we generate work, we bring young people, we bring life, we bring visitors, we bring international interest to this city. This is a city

that needs businesses like that. This city is struggling, in a business context. It is really battling. You can walk or drive around the town and you will see many 'for sale' signs. It is a real battle for this city to have a serious commercial or business heart. This university lends itself to that, not only from our own business but from the businesses we attract. This city has plenty of important, but non-commercial, attractions—museums, art galleries— all over the place. That is wonderful, but it also needs some things that bring business to the place.

I have two more comments to make and then I will conclude. The first is that the preferred outcome for us from this inquiry and from this consideration by Commonwealth and other authorities for the future of the site is this: that the Commonwealth give the land to the state, make a gift of the land to the state, having made a prior decision whether or not to sell off the oval. We would prefer that they gave the whole site to the state and forgot about the capital return they would get from the sale of the oval. I think that is a very tough one for them, but that would be our preferred option. We would prefer that the state set up a joint managing authority for the site—to comprise the state government, the museum, the council and the university—and that the management authority oversaw the maintenance, welfare and long-term use of the site. If that happens, someone—I presume it must be the Commonwealth—has to pay for the upkeep of the museum. The museum cannot sustain itself. In our view there is not enough revenue from this site to substitute for the Commonwealth itself; that is if you leave the site as it is. If you wish, I would be happy to give some detailed facts and figures on that in questions and answers. If the museum is to stay on this site, the Commonwealth have to continue to put capital and recurrent funding in to maintain it here. We think they should. We would be strongly supportive of the Commonwealth doing that, but in the end that is a decision for them.

The last point I want to make is that we have not enjoyed the controversy over this. It has been unpleasant for us and we certainly have not enjoyed some of the defamatory performances of those who are proposing to keep the museum in place. We would prefer to forgo our priority sale status and pull out of it, to say, 'We're out of this,' and let the government sort out what they are going to do to the site. Then, if they see a role for us, they can come back to us. We would rather forgo our priority sale status than be seen to be doing the wrong thing by the community. That is all I want to say by way of an opening statement.

CHAIR—Mr Craig, do you have any opening comments?

Mr Craig—No.

Senator LIGHTFOOT—Dr Tannock, how many sites, not necessarily university ones, does Notre Dame have in Fremantle or in the proximity of Fremantle?

Dr Tannock—We own or lease about 21 buildings in the west end of Fremantle.

Senator LIGHTFOOT—How many of those are heritage listed?

Dr Tannock—I honestly do not know that. Many of them would be.

Senator LIGHTFOOT—A significant amount of them would be?

Dr Tannock—Yes, a significant amount is heritage.

Senator LIGHTFOOT—What are those 21 sites used for? We know that the Mouat Street one was used for your central campus. What are the others used for?

Dr Tannock—They are all in Mouat Street or Henry Street. They are used for teaching purposes, lectures, seminars, computer laboratories, libraries and offices for academics. They have a student common room and a chapel.

Senator LIGHTFOOT—So they are all used as an integral part of the university?

Dr Tannock—No, in part of the buildings—I think two of them—we have tenants. The Department of Conservation and Land Management has its marine national parks division in one of the buildings and uses some of the offices in the buildings. We use the rest. There is a real estate agent that is temporarily renting some space in one of the buildings in High Street.

Senator LIGHTFOOT—Do you have any other buildings that you are currently negotiating for? I do not want their names; that would be too commercial.

Dr Tannock—No. We bought one about three weeks ago. We bought the old Challenge Bank building in the west end of Fremantle, in High Street. There are no others that we are negotiating for at the moment.

Senator LIGHTFOOT—When you say ‘we bought them’ or ‘we lease them’, who do you actually mean when we talk about the title? A name has to go on the title.

Dr Tannock—In that case, the University of Notre Dame Australia’s name will go on the title. Most of the titles of our buildings are in the university’s name because the university put up the money to purchase them, but some are also in the name of the Roman Catholic Archbishop of Perth. Notre Dame is a Catholic university and it obviously has a close relationship with the archdiocese of Perth. One of the buildings, which I think I mentioned, the old Court House, is of course owned by the state government or the Crown. The titles are either in the name of Notre Dame or the name of the Archbishop of Perth. There are two buildings we are leasing from private owners.

Senator LIGHTFOOT—What about those?

Dr Tannock—There are two buildings that are in private ownership, but the rest are either owned by the church or owned by the university.

Senator LIGHTFOOT—What about the rates situation when they are owned by the church? I do not think the GST applies to bona fide churches, but what about rates? Do rates still apply to churches in this regard?

Dr Tannock—We pay rates. I am not sure about the church but I know about Notre Dame. We have the same rates status as the other universities in Western Australia. Under legislation in Western Australia, universities are exempt from rates where the facilities that they use are maintained for university purposes.

Senator LIGHTFOOT—University purposes would be defined in the interpretation of the act.

Dr Tannock—For example, with respect to the building that we have partly leased to the Department of Conservation and Land Management, we pay rates on the portion of the building that CALM uses, and the same for the real estate agent. In fact, we are having a discussion with the council at the moment about whether we should pay rates on the whole of the building the real estate agent is occupying or just that portion that is attributed to the real estate agent. Our position on rates is identical to the other universities in Western Australia and, indeed, to most in Australia.

Senator LIGHTFOOT—What about the proposal here? It takes in a significant area of land that is bounded by Queen Victoria Street—you know the perimeters of it, Dr Tannock. Is it proposed that rates would be paid on that? The Commonwealth is not paying rates on it.

Dr Tannock—We would look for the same rating arrangement that we have in the west end of Fremantle. We would expect to pay rates on the buildings that were used for accommodation purposes. We expect to pay rates on those, but we would not expect to pay rates on the buildings that we were using for teaching purposes.

Senator LIGHTFOOT—In order to determine whether it is a commercial venture or not, did your study say you would pay rates on 10 per cent, 20 per cent or half? Do you have any idea that you can tell the committee? Just a generic figure would be quite sufficient.

Dr Tannock—No, but we did look at what we would be liable for with respect to the accommodation. We have done figures with respect to the accommodation. Our assumption was that, if we purchased or leased the site, in the first instance our occupancy would be the residential accommodation. In our proposals to the Commonwealth, we suggested—and I think I have already mentioned this—the 20-year lease for the peppercorn for the Army Museum. We also proposed a five-year lease for the university regiment. The people who are renting the warehouse have written to me about their future. If we were to acquire the site—and I could not make any comment on it—our proposal would be that they stayed there, and I presume rates would be paid on that property. It would be exactly the same arrangement as in the west end of Fremantle. This, by the way, is an issue with the council. Council keeps raising with us the question of rates, not unreasonably. Our response is that we pay rates on what we should pay rates on and that we pay rates on the same basis as our competitors—the other universities.

Senator LIGHTFOOT—You mentioned the Fremantle Gaol—I thought, given the shortage of funds and the limited base that Fremantle has as a developed area, that selling the area to a rateable concern may be more of an attraction than selling to a non-rateable—

Dr Tannock—Unquestionably, I agree with you. From a council perspective, if you are looking at just rate income, the best thing to do would be to find a 2001 developer who wanted to do the whole lot. That is the way to get the best return on the land and the rates.

Senator LIGHTFOOT—Yes, and for the Fremantle authority.

Dr Tannock—Yes, you would.

Senator LIGHTFOOT—You mentioned the Fremantle Gaol—did you have your mind on that as a campus?

Dr Tannock—Definitely not.

Senator LIGHTFOOT—There are probably too many ghosts around Fremantle Gaol.

Dr Tannock—It is not so much that; it would be a nightmare of a building to fix and do up. It would be a very difficult proposition; it is a big problem.

Senator LIGHTFOOT—Given that the oval—for the want of a better word; some people refer to it as a playing field—is an attractive piece of undeveloped real estate that various people would like to see either developed, used as public open space, or heritage listed because a lot of our First World War soldiers as young men played football and/or cricket, rode horses or grazed horses on it, does the proposal to purchase the precinct maintain its attraction to the point that you would proceed without the oval?

Dr Tannock—Definitely; we do not need the oval. In our discussions with the Department of Defence, when they were talking about going to valuation, we said, ‘We think you should get two valuations—one with the oval as part of the total and one splitting it off.’ As I said, we would love to see the oval maintained as public open space. I do not think it is a brilliant bit of space, by the way; it is just all right. But we could not afford to pay a commercial price for it and not do something with it. In our view, it is far and away the most valuable piece of the whole site. If the Commonwealth do not realise on it for its commercial value, unless they are going to split the site up and really go for it commercially, they have got to write off most of the commercial return on the place—whatever that finishes up being.

Senator LIGHTFOOT—What about your last paragraph in your submission, where you said unequivocally that Notre Dame would pull out of negotiations if there was widespread public dissent? How would you assess the situation now with respect to public support or public dissent?

Dr Tannock—We are very close to actually doing it; that is why I put the sentence in there. We came into this proposition, in relation to the artillery barracks site, with very good intentions and believing that it was not only in our own interest but almost certainly in the community interest, given all that I have said, for a body like the university to acquire the site, because we could look after it, maintain it, keep the museum in place, give public access to it and it would be business as usual for the community. But our position has been beaten up in an extraordinary fashion; I mentioned earlier our unhappiness with some of the material that has been distributed about the university. We are unhappy with that; we do not like it. I would rather the university pulled back from the priority sale status, let the government sort out what it is going to do, perhaps with the state government, perhaps with the council, and, if they see a role for us—and I am actually pretty confident they will because I think it is so logical—let us go in and start again. I would rather do that. What I would not want would be for the university to be in the position of playing hard ball on this one and the community—in many cases for all the wrong reasons—saying, ‘Somehow or other you have ridden roughshod over these good people.’ I do not want to do that.

Senator LIGHTFOOT—What of the proposition—to use a contemporary phrase—that you got the silver medal? Where would the silver medal be? Would it be that the state government buys the precinct and you saw yourself with some role to play there, or would some other area, or purchaser, other than Notre Dame or the Catholic Archdioceses of Perth, be more beneficial to you and to, say, Fremantle? It does have limited purchasers.

Dr Tannock—It does.

Senator LIGHTFOOT—But it has got lots of appeal.

Dr Tannock—Very limited purchasers—given what you can do to it and what you cannot do to it. No, I have not thought of anyone else. As I said in my submission, I do not think handing the site over to the museum volunteers is a good way to go, and I have set out reasons for that. I do not expect them to agree with me, but I just do not think it is a good way. I do not think that is in the public interest. I simply do not think they have the resources, managerial ability, experience or the guarantee of long-term sustainability to do it. They will not agree, but that is my view. I do not think handing it to the council is a very good idea either. I do not think the council in the long run will be willing to put the resources in to sustain it. Volunteer groups of one sort or another, whether it is in the arts, crafts or whatever, could not sustain it—there is just no money in it. The reason we can sustain it is that we hope we will have in the long term a serious viable educational business. As I said, I regard us as a clean, green and supportive agency in the community.

Senator LIGHTFOOT—The politics of the sale are an integral part of it, and anyone who disregarded those is not serious about buying it. When do you think you may make a decision as to whether you are still in, which would probably be dictated by your silence, or that you have decided to take the option you mentioned in your last paragraph? Because of fairly widespread—and this is just a scenario—antipathy towards Notre Dame purchasing the site, when do you think that you would be in a public position to make a decision? I know that is a fairly tough question.

Dr Tannock—I am not sure. We have a board meeting next week, and we will be talking about it there. All of these matters are subject to our board, but we will look at it next week. It is a difficult one for us because we are very attuned to the public debate and the controversy that surrounded it. We are not convinced that the factual realities of the options for the artillery barracks site are really clear to people. I think they are very well understood by people you would expect to understand them on both sides of politics at all levels of government—Commonwealth, state and local. I was interested to hear the mayor's comments to you earlier on about the Fremantle council's position when someone—I think it was you, Senator—asked him an awkward question about our submission. In the end, what you extracted from him was the acknowledgment that Notre Dame was the best worst option. He certainly did not say that to us. In our discussions with the council, what came through quite clearly was the council's strongly preferred option that the site remain in public ownership, and that the museum remain here indefinitely. Maybe this is just another way of dealing with the 'best worst option' terminology. He also said that Notre Dame was greatly preferred to a private developer. He could see circumstances. He could see that Notre Dame would be a very good and positive occupant. There was nothing private about that. It was said in public at the development assessments committee meeting where all this was discussed.

Senator LIGHTFOOT—Before I defer to my honourable colleagues, Dr Tannock, could you just tell the committee how many millions you would propose to spend—you must have had a business plan—on the site here within, say, five or 10 years, or any figure you care to relate to the cost?

Dr Tannock—I cannot say that. We do not operate by planning how many millions we are going to spend over the next three, five or seven years. Our assumption was that it would be a three- to five-year process before the university regiment left the site and that the museum would probably stay: the political realities of the whole business would ensure the museum stayed.

Senator LIGHTFOOT—Precisely in its present position?

Dr Tannock—Yes; probably.

Senator LIGHTFOOT—That was an unequivocal ‘maybe’, wasn’t it?

Dr Tannock—No; I think they would. Yes. Our focus has been on the accommodation—this is the 12 cottages and houses. To get them up to scratch and even do things properly there, we assumed that we would have to spend a minimum of \$300,000 to fix them up—an average of \$25,000 per dwelling for electrical work, carpets, painting, curtains, kitchens, plumbing, furniture and structural work. One of the buildings there is badly cracked and in trouble. We have assumed about \$300,000, and that is based on our experience. We have had a lot of experience in restoring and fixing up old buildings. The \$300,000 would require an annual debt servicing of \$30,000 per annum. Our assumption, by the way, is that those 12 dwellings would require about \$129,000 per year in operating expenditure to maintain them, keep them and to have them operational. Our assumption is that the rental we would get would be a bit less than you might get on the commercial market—because, for students, we work on the basis of 35 weeks of occupancy—and so the rental on the total accommodation complex would be about \$105,000 a year. I would be happy to leave a paper with you setting those numbers out. There is no money to be made.

Senator LIGHTFOOT—There is a deficit of over \$30,000?

Dr Tannock—Yes. There is no money to be made on the accommodation. Why would we go ahead with it, if we were in a deficit? We would obviously be trying to fill the gap between 35 weeks and 52. But it is not a commercial proposition. In the fixing-up of the accommodation and the operating of them, there is not a profit to be made. Having said that—and we take this approach with all of our accommodation—we try to break even, and we think this is a break-even proposition.

Senator LIGHTFOOT—Thank you, Dr Tannock.

CHAIR—If you would supply us with that documentation, that would be very helpful to the committee. Can I also take you up on your earlier offer to table correspondence between you and the Department of Defence? That would be very welcome.

Dr Tannock—Certainly. I have two letters here, but there are probably another dozen which I will send to you.

CHAIR—No, take that on notice and supply them to the secretariat.

Dr Tannock—I am happy to do that.

Senator WEST—I am not totally familiar with the University of Notre Dame, as I am not within the Catholic system and I plead ignorance. I know the name and you are only over here in the west, I understand?

Dr Tannock—Yes; two campuses, in Fremantle and Broome.

Senator WEST—Are you a public or private university?

Dr Tannock—We are a private university but we are partially publicly funded. We are listed in schedule A of the Higher Education Funding Act. We are established under act of the state parliament and we are eligible for Commonwealth funding in exactly the same way as any public university in Australia. The Commonwealth, in effect, finances the university studies component of the courses that we offer on our Broome campus, which are largely or substantially undertaken by Aboriginal students. On the Fremantle campus, the Commonwealth supports, through HECs places, our teacher training students. The other programs that we offer—the other colleges like business, law, health and theology—are programs for which students pay fees at both undergraduate and postgraduate levels.

Senator WEST—What is the fee level?

Dr Tannock—It varies from course to course. The business course this year is about \$6,000 a year; for a law course, it is about \$9,000 a year.

Senator WEST—How many schedule A universities are there in Australia?

Dr Tannock—There are 37.

Senator WEST—So they are all schedule As?

Dr Tannock—Yes. There is only one university in Australia that is not, as far as I am aware, and that is Bond University. But there are other institutions in schedule B—places like Avondale College or Marcus Oldham College. There are a few bits and pieces.

Senator WEST—How much of the funding you receive under schedule A is in grant form or loans and that sort of thing? Do you have access to those?

Dr Tannock—No. We have had some minor capital funding related to our Broome campus, but I think that was more funding out of indigenous education programs than the general capital. We have had no Commonwealth capital for our campus in Fremantle and no general capital for our campus in Broome as well. That has all been financed by loans or by fundraising.

Senator WEST—How have you financed the purchase or the leases of the other buildings you have in Fremantle?

Dr Tannock—They have been funded in three or maybe four ways. One is gifts—some people have given us the money to buy them. Some of the money has been borrowed from banks; or we are eligible, as are non-government schools in Western Australia, for low interest loans from the state government. We have financed some of the purchases and the capital works programs down there from loans from banks or from the state government. The building we acquired a few weeks ago has been financed by our bank, the National Australia Bank. The third source of funding for our capital works is fundraising. For example, the College of Health at the moment is undertaking a fundraising program to raise money from within the community to support the development of facilities, particularly for its nursing program. The other way—it is not a source of capital—is we rent buildings. Of the buildings we occupy at the moment, we would be renting probably three or four of them, and presumably the owners have put up the capital to make the buildings what they are.

Senator WEST—How many students do you have?

Dr Tannock—On our two campuses in Fremantle and in Broome, at the moment we have probably got about 1,600 students.

Senator WEST—Is that EFTS equivalents?

Dr Tannock—No. The EFTSU equivalent is probably about 1,100. But, in bodies, it is about 1,600 or maybe 1,700. In the case of the Broome campus, they are not all university students. Some of them are university students. About half of them would be university students, and half of them would be students in what we call Pathways programs—programs which bridge the gap between where they were when they left school and where they need to be if they are going to make it at university level. Can I add one point? Our goal, the plan we have set ourselves, is to grow to 3,000 students by the end of the decade. Over the next two to three triennia, we hope to grow to 3,000 students. We think that that will happen. There is a lot of demand for places in Notre Dame now, and we seem to be making major progress in the community—which is one reason, of course, why we hoped to use this end of Fremantle as a second campus.

Senator WEST—You talk in item 2 about it being made clear to you that, should the sale proceed, the university would be required to pay market value for the site, as determined by the Valuer-General. Have you done an independent valuation on the sites?

Dr Tannock—No, we have not.

Senator WEST—Would you plan to do one?

Dr Tannock—Yes, we would. This would be similar to what happened in the case of the sale of the Drill Hall to the university. The Commonwealth got an independent valuer to give them a price, and we got an independent valuer to give us a price. The Commonwealth then got a third valuer. From what I remember, this is what happened. The third valuer's price was the highest of the three, and that is the one the Commonwealth took. We would do something like that here. We felt there was not much point in proceeding to a valuation until we actually saw what was

going to happen with the site. It depends on how it is broken up, if it is broken up. It depends on the zoning. It depends on all those other sorts of things. It does not even make sense to start on the process until you get a picture of what is available and what form it will take.

Senator WEST—Have you got any idea from Defence as to what might be available?

Dr Tannock—None.

Senator WEST—You have no idea of their option and their plans?

Dr Tannock—No. They have not shown us those at all. There has been no discussion with us about how they might do it. I was interested to hear the BSD report discussion in the earlier submission. We have never seen that report. We have not sought it. I thought it was best to wait until the process worked its way through. As I said earlier, the only comment we have made to the Commonwealth was to be quite blunt about how they should break the site up. I think I have mentioned already that there is a case for splitting the oval off. If the Commonwealth really want money, then split the oval off and leave the rest of the site intact. Our suggestion was that they should consider perhaps leaving the barracks site itself for the museum, the accommodation zone for the university, and perhaps also giving the warehouse to the museum as a place where they could store their goods and so on, and let the council look after Cantonment Hill. That would be, in our view, a sensible way to structure the site, in the context of that management group that I talked about. But we have not seen any of the other more exotic options they have for break-up and sale—and, of course, some of those would put us out of the market. The one thing I can assure you we are not is a developer. There would be no interest on the part of Notre Dame to take areas of this site and put hotels or home units or whatever else on them and then sell them into the open marketplace to make money. That is not our business.

Senator WEST—You first got the priority sale approval two years ago?

Dr Tannock—No. I think it was about April of this year. I actually cannot remember the date, but I think it was about April of this year.

Senator WEST—Do you think these discussions are taking an inordinate length of time, given that it took two years to get to this stage?

Dr Tannock—Yes, it did take a long time.

Senator WEST—Were you aware of BSD doing an options—

Dr Tannock—No, I had no idea. We had no communication with BSD. The only real estate agent we have had any discussions with about it—and it was not with them as individuals—was Knight Frank. Some weeks ago, the Defence officials came here with Knight Frank, the valuers, and sat down with us and said, ‘Okay, we’re proceeding with this process.’ That was the first contact we have had, even with a valuer. We have had no discussion with the valuer or with the Department of Defence either verbally or written about what it might be worth and what we might be prepared to pay.

Senator WEST—That must be causing some frustration on your part—

Dr Tannock—We are used to it.

Senator WEST—when you add that to the press you are getting.

Dr Tannock—Yes, it is frustrating, but that is life. I do not feel any sense of grievance about how we have been dealt with by the government on this. I think the government has been clean and open with us and there has never been the slightest suggestion of a deal or of, ‘We do this, you do that’—nothing like that. The main issue was: do you qualify for and do you warrant priority sale? You might qualify, but do you warrant it? Is your case strong enough to do it? We argued that strongly.

Senator HUTCHINS—Dr Tannock, you expressed a concern and a little criticism of the volunteers generally and how they operate. If the university did take over the site, would I be right in concluding that the museum would stay in the position it is at the moment?

Dr Tannock—Yes, correct.

Senator HUTCHINS—What sort of support would you give the museum if they did stay in that position.

Dr Tannock—Strong support.

Senator HUTCHINS—Would there be full-time staff allocated to assist?

Dr Tannock—No. I am sorry, I did not understand your question. We have looked at this. I talked about having a board or a committee overseeing the site and being responsible for determining what maintenance was required, and who would put in what to it. Our position is quite clear—we would welcome the only museum staying there. We know they have not got the money to pay for it themselves. We think the Commonwealth should continue to pay for it and should continue to support them. Indeed, we said to Defence, ‘After all, wherever they go, you are going to have to pay, so why not pay down in Fremantle?’ There seems to us to be no logical reason why the resource commitment that is being made elsewhere—if they were relocated—could not be made here. But we would not pay for them. We would expect them to meet their own costs. Of course, we would not expect them to meet our costs.

One possibility that we thought about and indeed put to the Commonwealth in one of our letters, which I have here, was that, if the whole site was sold to the university with or without the oval, we would give the museum—as I think I mentioned earlier—a 20-year peppercorn lease over their premises and the option for renewal for another 20-year term subject to the kind of multigroup review that we thought might be appropriate. In that proposal, if the context was that we acquired the whole site and the museum had a peppercorn lease from us, we suggested we would manage the whole site and indeed we would finance the management of the site and recover from the museum or the Commonwealth—presumably the Commonwealth—whatever we spent on maintenance and upkeep for them on some audited basis.

Senator HUTCHINS—Does that mean preservation?

Dr Tannock—Yes, we would preserve the buildings and maintain them.

Senator HUTCHINS—And the exhibits?

Dr Tannock—No, the museum itself would maintain those. I am just talking about the fabric of the buildings and the grounds. Somebody has got to mow the lawns, maintain the parade ground, paint the buildings and repair them when cracks appear from whatever. So we would do that, and it would be a way of getting the Commonwealth out of having to do the work it has been doing of maintenance by having one maintenance authority for the whole site.

Senator HUTCHINS—This morning we had a look at these buildings over here. They house a number of the museum's projects: would that form part?

Dr Tannock—Yes, whatever the museum occupies or within reason needs to occupy would be part of their entitlement.

Senator HUTCHINS—How many students? I know you said you were not sure what school or schools you would move in here, but how many students and staff do you think a site like this could hold?

Dr Tannock—You could easily operate a faculty or a school off this site in teaching terms. The context in which I presented the 800-student proposal was if the whole building was available, so rooms like this would become classrooms. You could easily service 800 students on this site—no trouble at all—and that would be ideal for a college like the College of Health.

Senator HUTCHINS—What about accommodation? What are you looking at with those sites there?

Dr Tannock—The present accommodation, the cottages down on Queen Victoria Street, we think would not house more than about 20 or perhaps 30 students at a squeeze—maybe 30. They are two-bedroom cottages. There is one three-bedroom cottage, which used to be the sergeant's cottage, and we would need to put on the site a caretaker/rector. We would not be prepared to proceed without having someone who lived on site who could look after it and also in a not too intrusive way look after the welfare of the students who are living here. So we thought that that corner building, the sergeant's house, would probably be the caretaker/rector's house.

Beyond that, the only other buildings we thought might be suitable for accommodation in time are some of the smaller buildings around the parade ground, which could probably be converted without much problem into flats for students, small dormitories for students or flats, and possibly the officers' mess building around the corner could be used for accommodation as well. I suspect it was in the past; I think it might have been accommodation or a hospital or clinic in the past. We think it could be used for that purpose. So perhaps all-up on the site in the existing buildings you might get 60 or 70 students, not much more. But with respect to the teaching, research and educational side of the site, you would make very substantial use of it.

CHAIR—As I explained to you at the beginning, one of the concerns that obviously arises out of this is the issue of the probity of what is going on and the process that has been followed

by both the Department of Defence and the Defence Estate Organisation as part of the Department of Defence and, of course, what role your organisation has played in this whole process. I was interested that you approached this on the basis of a priority sale. What led you down the path of a priority sale? What was the motivation there? Why not wait for it to go to open market?

Dr Tannock—Two reasons: the first that there would be no guarantee we would get it. Secondly, you just might be unlucky; you might get into a bidding war with a developer with the bit between his or her teeth, which is another way of saying you would miss out.

CHAIR—Did anyone suggest to you that that is the path you should take in pursuing the acquisition of this site?

Dr Tannock—I think I said to you that, in the first instance, it was suggested. I think it might have been the Minister for Defence who wrote to us and said: ‘We don’t know whether we’re going to sell that site; we’re looking at all of the sites. If we were to make a decision to sell it, you would of course be able to buy it but you would have to compete on the open market for it.’ That is what was said initially to us. As I think I said in my earlier remarks, we went back and argued the case for priority sale. We went down the priority sale route because we thought that was the most secure way to meet our objective. I will give you an example, in the private sector. We recently bought the Challenge Bank building in High Street, Fremantle. We bought that prior to auction after extensive negotiations with the bank. The bank said: ‘We want full market value. If you want it, you’ll have to meet what our valuer tells us we could get in the auction.’ They understood why we wanted it. There was a lot of interest in the building and we wanted to secure it, and we did pay full market price for it. I presumed the same would happen here. In fact, not only did I presume the same would happen here; I was told that that was exactly what the Commonwealth would require.

CHAIR—That may well have been your presumption but, given the sensitive nature of the property that is involved here, did you not believe that there could be adverse reaction as a result of proceeding down that path?

Dr Tannock—I would have been very surprised if there was not adverse reaction to the Commonwealth decision to sell the place. I felt that was bound to happen, but I did not think there would be adverse reaction to the Commonwealth decision to sell it to Notre Dame rather than let it go to a developer.

CHAIR—The impression that I have gained so far in this whole process—and I have dealt with it at Senate estimates on two occasions and, of course, through the setting up of this inquiry—is that there is a degree of cynicism that the process has been a closed process, excluding those who might have an interest in the purchase, and that there has been, to use your own words, ‘some sort of sweetheart arrangement’ between Notre Dame and the Department of Defence. I think that has caused the likes of the museum foundation, the city council of Fremantle and others to adopt the views that they have adopted. I am not justifying their views; it is a matter of the process. It is a surprise that you went down that path, knowing in the first place that this could have been quite a difficult path.

Dr Tannock—It is certainly more difficult than we thought it would be, but I saw absolutely nothing wrong with an institution like this university seeking to buy a property from a government that the government was going to sell and that would enable the institution to do something good with it. I saw nothing wrong with that at all. It is up to governments to decide whether they want to do it or not. There is nothing wrong with us doing it.

To give you a parallel example: a major independent school in Perth, last week or the week before, bought from the state government a beautiful site down in Mosman Park for a primary school—there was a primary school there the government did not need anymore. I have not spoken to anybody about it but I just read it in the newspaper. The school approached the government and said, ‘That site would really be important for us as a new primary school—would you sell it?’ And the government said, ‘If you pay the market price, yes.’ And they did. There was nobody jumping up and down saying, ‘Just a minute, I did not get a chance to bid.’ I presume governments do that all the time if they think it is in the community interest. I presume that if the government had known there would be such a negative reaction they might have done it some other way. I do not see anything wrong with it.

CHAIR—The problem is that until earlier this year no-one else knew about the process at all. I am not blaming you for that. I am just saying that that is the fact and because of that others felt that they had been excluded from the process when they otherwise legitimately could have and should have been legitimately involved in the process

Dr Tannock—That may be so. As I said in my earlier testimony, we made no secret of our interest in purchasing the site and it was canvassed in the newspapers—both the local *Fremantle Herald* and the *Sunday Times*, which has a much broader circulation—long before a priority sale decision was made. So it was canvassed. I do not know why the Commonwealth did not make some sort of simultaneous formal offer to other potential parties, like the council or the museum volunteers, to purchase the site.

CHAIR—That is one of the things I am intending to find out as this inquiry goes on. It seems that as part of the probity and openness of any process that is the one thing that should happen. It seems from the evidence that I have been able to pick up so far from the submissions that I have read and evidence that I have heard presented to this inquiry that that has not necessarily been the case.

Dr Tannock—In retrospect, what should have happened was that the Commonwealth decided in principle to offer us priority sale status and maybe they should have advertised it and said that that was what they were proposing to do and did anyone have a point of view about that.

CHAIR—If you follow the sequence of events as given by them, I think today we noted that on 15 May 2000 the Minister for Finance and Administration—as it said in their submission—agreed in principle to the proposed sale of Artillery Barracks to Notre Dame. Then the first advice that was received from Fremantle City Council was dated 19 May. That was the first—as I understood it—that they were aware of the possible sale even though it had been rumoured.

Dr Tannock—To be quite honest, I do not think that is correct. They were not formally communicated with at that time but they knew.

CHAIR—I think that is part of the problem, that there was speculation—

Dr Tannock—I cannot remember but I think we told them.

CHAIR—I would be interested to have tabled with us a record of meetings that you have had with the Fremantle City Council and an outline of what you have discussed with them if you could provide those. Perhaps you can provide us with the chronological sequence of events of your engagement with the Department of Defence as well.

Dr Tannock—Sure. Happy to do that.

CHAIR—The submission to this inquiry today from the Fremantle council said that more disturbing was the admission from the Defence Estate Organisation representatives following the announcement of this Senate inquiry that the inquiry would have no impact on the sale of the Fremantle Artillery Barracks. The sale would proceed regardless of the inquiry outcome—that was a meeting at the City of Fremantle offices on 15 September 2000. That seems to have been the advice from the Defence Estate Organisation representatives to the Fremantle City Council, which does not do much for the process given the options that you put forward here this afternoon.

Dr Tannock—No. I just cannot comment. I do not know what they have said, and we have not been involved in any of that.

CHAIR—Who has your organisation had discussions with at the ministerial level?

Dr Tannock—I would have had discussions over the last 18 months in relation to this matter. I certainly discussed it with Senator Ellison, who supported our position—provided the museum remained. He has been strongly in favour of the museum remaining on the site. He, in essence, supported the proposals I put forward in our submission today: the preferred options and other options.

CHAIR—Roughly, when would that discussion have taken place?

Dr Tannock—I would have had at least two discussions with him over the last six or eight months. I cannot remember the dates. The only other minister I discussed it with was the minister for education, David Kemp, very briefly. His support for the worthwhileness of the university gaining access to the site, I believe, would have been significant in the minister for finance ultimately making the decision, ‘Yes, we think this is a reasonable proposition for a priority sale.’ But I do not know the details of the mechanics within government on that. I certainly discussed it with Minister Kemp and I discussed it with officers from his department. There probably were two or three discussions with them about it.

CHAIR—Do you have an idea approximately when that would have occurred?

Dr Tannock—Probably two or three times over the last 12 months. The first discussion was probably in the middle of last year. In fact, I suspect it was first raised in the context of the profiles visit of the Department of Education, Training and Youth Affairs to Western Australia, where they visit each of the universities and look at where they are going and what their hopes

and aspirations are. I think we discussed it with them then. I might add that none of the discussions with DETYA or with Minister Kemp would have had any element of the controversy over the Army Museum. They would have been educational discussions: why the site was important to us educationally.

CHAIR—So the relevant minister, as part of the process, ticks off.

Dr Tannock—Yes.

CHAIR—So also does the minister for finance; and that then gives your organisation access to a priority sale at market value.

Dr Tannock—That is right.

CHAIR—Those were the only government ministers, to your recollection, that you have involved yourself with: Minister Ellison and Minister Kemp?

Dr Tannock—That is correct.

CHAIR—What about your involvement with the Department of Defence, whether that be at the highest levels within the defence department or with the Defence Estate Organisation? At what levels have you had discussions within the Department of Defence?

Dr Tannock—The only people that I think we have discussed it with in the Department of Defence has been Ms Liz Clarke in Canberra. She was the Acting Assistant Secretary in charge of property management in the Department of Defence. I certainly had a number of telephone discussions with her. I have written several letters to her, which I am happy to give to you.

CHAIR—Over what period of time? What sort of time frame are we looking at?

Dr Tannock—Over 12 months. I cannot remember the precise dates. There is also the Air Force officer at the local level, who is responsible for Defence Estate, whose name I cannot recall at the moment.

CHAIR—Alan Griffith.

Dr Tannock—I had discussions with Alan Griffith. I think he came to the meeting with Liz Clarke. I might have met with Liz Clarke twice. I think she has been to Fremantle twice and I met with her on those occasions, but I have had a number of phone conversations and there has been an exchange of correspondence.

CHAIR—But not with other Department of Defence personnel?

Dr Tannock—There was one other discussion I had that I should mention. I had a discussion about the issue with Senator Abetz, who I think is the Parliamentary Secretary to the Minister for Defence, when he was in Western Australia recently. I put forward to him the sorts of

proposals that are in my submission to you today. He is the only other federal politician whom I can recall having discussed it with.

Senator HUTCHINS—Have you met Mr David Eades from Knight Frank?

Dr Tannock—I do not know. When Liz Clarke and Commander Griffith came to see me there was a Knight Frank person with them. I think that might have been his name.

Senator HUTCHINS—Was that some time in September this year?

Dr Tannock—Yes, some time in September.

Senator HUTCHINS—Maybe after they went and told the council that, no matter what this inquiry did, it was still going to get sold.

Dr Tannock—I do not know. I do not know anything about that. I think I said in my testimony that there was a person from Knight Frank whom we had discussions with, but we had no discussions about price and we had no discussions about the different ways in which it might be developed. We did discuss the possibility of splitting off the oval.

CHAIR—The price of \$4 million, which seems to be bandied around fairly freely, and the speculation of the overall price of some \$13 million, are figures that you know nothing of?

Dr Tannock—I know nothing at all about that. I have seen the price of \$4 million in the newspapers. I presumed it was invented by a newspaper or maybe the newspaper went to a valuer and said, ‘What is this thing worth?’ I have also—

CHAIR—In fairness to the newspapers, I stood down on the oval this morning and worked out, in a very quick rule of thumb way, what I thought that and the profit out of it was worth. I came up with \$4 million.

Dr Tannock—Is that right?

CHAIR—Yes—not because I knew it.

Dr Tannock—We have not done that calculation.

CHAIR—I am surprised.

Dr Tannock—I was about to say that I assumed the newspaper went to a real estate agent and said, ‘Tell us what you think this is worth.’ I have also seen other prices in the newspapers. I saw one newspaper speculating that it might be worth \$18 million. I do not know where they got that from.

CHAIR—Have you had any contact with officers from DOFA—the Department of Finance and Administration?

Dr Tannock—No, I have had none.

CHAIR—None.

Dr Tannock—I have had no discussion with the Department of Finance and Administration, and no discussion at all with the minister for finance.

CHAIR—Do you know if they have been involved in any way in the process that has taken place to date?

Dr Tannock—I do not know. But, seeing that the decision to give the university priority sales status was made by the minister for finance, I would be surprised if he did not get advice from his department. So I presume there was some involvement at the Canberra level, but I know of nothing happening over here.

CHAIR—Have you had any discussions with any of the Commonwealth departments about funding arrangements which might be put in place which would enable Notre Dame University to purchase this site?

Dr Tannock—Absolutely none.

CHAIR—None at all?

Dr Tannock—None at all. It has never been raised.

CHAIR—By you or anyone from your organisation?

Dr Tannock—Not that I know of. I am sure nobody from the organisation has raised it. I certainly never raised it.

CHAIR—Who has had the authority to conduct the negotiations on behalf of your organisation with the Department of Defence or the Defence Estate Organisation in particular?

Dr Tannock—It really has been me, although our business manager may have had—

CHAIR—Would that be you, Mr Craig?

Mr Craig—No.

Dr Tannock—Our business manager may have had some discussions, but I would be very surprised. It has virtually been carried by me but I would have kept the business manager informed, and I kept our board informed about all aspects of what was going on.

CHAIR—What has been the board's response to the adverse comment that has come out? I have been part of that because I have described it as mean, miserable and despicable in Senate estimates—not just once but repeatedly. That is not necessarily a comment about you personally or your organisation, but I think it was mainly targeted at my friends in Defence Estate.

Dr Tannock—I hope it is not. You are a senator and you can say what you like.

CHAIR—No, I cannot say what I like. I will say what I like when I need to, and I have expressed my view on that.

Dr Tannock—I certainly hope it is not targeted at Notre Dame or me because I repeat I believe we have acted totally honourably in this matter. Maybe in retrospect we should have asked for a public advertising process for comment on the priorities though but I thought the decision to sell the site was potentially a very contentious one because it is a signature site for Fremantle. I thought that proposing to shift the museum out was also very difficult and unnecessary. If the Commonwealth wanted to do it then that was their decision but I did not actually think it would be such a problem for Notre Dame.

CHAIR—Given the adverse comment that has been in the media and, also, I will say, about the whole process in the Senate estimates and obviously in other places as well, did your organisation not consider that it would be smart politics to sit down with those who were raising the difficulties that they saw in the prospect of the sale and confront with them the issues that they wished to raise and the issues that you believed were valid reasons for you proceeding down the path that you were going?

Dr Tannock—The answer is, yes, and we sought a meeting with the Fremantle council and, in fact, I think we have had two or three meetings with the Fremantle council about the matter—when I say the Fremantle council I mean the mayor, the chief executive, the heritage officer and one of their senior planning people. We have had two or three meetings to talk it through and they have been very positive and, I think, amicable meetings. I have already mentioned to you that the council, through the mayor and the chief executive, made it clear to us that their strongly preferred option was that the site remain in public ownership, that the oval not be sold off, that it remain as public open space. That has been their unwavering position. But they were also, in the event that it was sold, very positive about the notion of Notre Dame being the occupant, very positive about it. It was not the best of the worst possible options; they were very positive about it if it were sold.

Senator LIGHTFOOT—Who are ‘they’ in this instance?

Dr Tannock—The mayor, the chief executive, the councillors—and that gave us considerable encouragement if the thing were sold. So we did sit down with them. I also sat down with the representatives of the museum some weeks ago—I cannot remember when—and I said, ‘Look, I really need to meet with you and talk through some of these issues.’ I actually tried for a meeting months ago but that had not come to pass.

Mr Craig—I approached the chairman of the foundation some months before, as I know him personally, but he declined to meet with the vice-chancellor.

Dr Tannock—I finally got this meeting with Mr Bridges, the deputy curator and one of his colleagues weeks ago. I said: ‘We really should try and sort this out. There must be a better way of dealing with this than this “firefighting”’—to use a military analogy. I put forward the sorts of proposals that are in my submission today. The representative of the museum, Mr Bridges, said: ‘We understand why you would put those forward, but we’re not interested. We want the

lot. We think we won this campaign and we're going to get the lot. If we were to share with you, it would be inevitable that you would want to take us over.' I put forward my ideas about ironclad leases and so on. The overtures were rejected out of hand. I was told that the museum committee did not want to even think about a compromise. They did not want to have the slightest discussions with us about a possible compromise or a way forward where we could join together because that would invite the decision making authorities to actually put the compromise in place. They said: 'We think we won the campaign. We won the lot and we're going to get it. On your way!' They may have other constructions to place on the conversation but that is the essence of what was said. I emphasised to them our eagerness for them to remain on the site, and indeed our longstanding commitment to that. In all of the discussions we had from the very earliest days with the Department of Defence, we said we believed they should stay on the site. I emphasised that to them and no notice was taken of that. That is why I am so upset about this spurious literature they have put out which implies a quite different perspective and point of view from Notre Dame. It is unreasonable.

CHAIR—They will have their opportunity to have their say.

Dr Tannock—Yes, they will.

CHAIR—There are two issues I want to raise. Why Notre Dame University? I do not know all the universities here, but why should not Western Australia or Murdoch or one of the other universities be equally given the opportunity—if this is such a bright idea—to be involved in the process? Is it that they would not be interested?

Dr Tannock—Not necessarily. I suspect they would not be but I have not actually canvassed that with them.

CHAIR—Or is it that Notre Dame are more aggressive in bidding for sites such as this?

Dr Tannock—No, not at all. The proper answer to your question is that we are a Fremantle based institution and what we are proposing here fits very much into the kind of character of institution we have been developing. It is a natural and a logical extension of who we are and where we are. It would not be impossible for another university to be interested in it but it would be pretty unlikely.

CHAIR—The other matter that I want confirmed is whether there have been any real estate advisers or agents—I do not know what you would call them necessarily—who have assisted you in this process.

Dr Tannock—None. I have had no discussion—

CHAIR—Or valuers?

Dr Tannock—No. There has been no discussion with any valuer or any real estate agent in relation to this site. I think one or two might have said to me, 'Gee, it is a wonderful site,' but I have had no formal or informal discussion.

CHAIR—So your organisation has engaged no-one to act on your behalf in either discussions with the Defence Estate Organisation—

Dr Tannock—No, no-one.

CHAIR—As for the last issue, how close to closure do you see the deal with the Defence Estate Organisation being? I will tell you why I am asking: the speculation in one submission is that it is almost closed, a fait accompli, without naming you as being the purchaser. It may well be that is the picture that Defence Estate want to paint. Do you consider that you will be closing the deal shortly or are substantial parts of the negotiation process still to proceed?

Dr Tannock—Substantial parts. If the sale were to proceed, I am sure the Commonwealth, as we were told, would like to complete it by the end of the year. But we have been given no timetable and, as I say, we have not even been given a suggestion about the structure of the site, the conditions attached to it or the price, so we are a long way from it.

CHAIR—I presume there would be substantial legal work.

Dr Tannock—Especially if there were going to be long-term tenants on the site. There would be all sorts of issues that would have to be pursued. But we have no deadlines.

CHAIR—Dr Tannock and Mr Craig, we thank you very much for your evidence today. We will take that into consideration when we are writing a report. Whilst this was the initial focus of the inquiries of the committee, it is a broader inquiry to look at the probity and processes that are involved in Defence Estate, and those inquiries will undoubtedly spill over into next year. I do not know if you were in the room when I said this earlier, but it is our intention to at least try to deliver a report on this prior to Christmas. We will take into consideration your comments and statements and hopefully give you a copy of the report at that stage.

Dr Tannock—Thank you very much.

CHAIR—It was our intention to go into an open session but if we start now we will not stop. We do have time straight after lunch tomorrow, which I think we can give to an open session. I want to thank very much those who have come to the hearing today. We sincerely wish to take your comments but, given the nature and the importance of the witnesses that we have had today, we will defer the open session until 2 p.m. tomorrow, after the conclusion of the taking of evidence.

Committee adjourned at 5.23 p.m.