

# Senate Standing Committee Foreign Affairs, Defence and Trade

Supplementary Budget Estimates – 23 October 2019

## ANSWER TO QUESTION ON NOTICE

Department of Defence

**Topic:** SSCFADT - SBE - 23 OCT 2019 – Q80 - 310 St Kilda Road - Van

**Question reference number:** 80

**Senator:** David Van

**Type of question:** Written

**Date set by the committee for the return of answer:** 6 December 2019

### **Question:**

I have some concerns about the allocation of the Defence site at 310 St Kilda Road, Southbank. In particular, concerns have been brought to me by the Australian National Veterans' Arts Museum (ANVAM) about the potential disposal of the site.

It is my understanding that 310 St Kilda Road, which is part of the Victoria Barracks complex, is currently unoccupied and in a state of disrepair.

ANVAM has sought to use it to return the former Repatriation Commission Outpatient Clinic, as it was originally known, to the veteran community as a cultural institution for the wellbeing of veterans through facilitated arts engagement.

However, ANVAM has encountered six years of continuing difficulties in receiving support from the Department on the potential use of the site, as the Department is claiming the site must be sold under the Commonwealth Property Disposal Policy.

As such, within this context:

1. Can Defence please provide an update about the status of the site at 310 St Kilda Road, Southbank, Melbourne?
2. What is Defence doing to rectify the issues of the site?
3. What is Defence considering doing with the site? What process are they undertaking to consider these options?
4. What is the timeframe on this process?
5. Is six years a reasonable timeframe to let this issue continue to go unresolved?
6. What does Defence envisage this process will produce?
7. Will Defence consider supporting ANVAM's use of the site as part of this process?
8. If not, will Defence facilitate an alternative venue for ANVAM to do their important work for the benefit of our valued veterans?

**Answer:**

Defence divests property in accordance with the Commonwealth Property Disposal Policy (the Policy), which stipulates that Commonwealth property is sold on the open market for full market value. The Policy also allows for off-market sales to a state, territory or local government, if a sale would optimise broader Government outcomes, including economic or social outcomes.

In 2015, 310 St Kilda Road (the site) was declared as surplus to Defence requirements. Since this time, Defence has explored possible off-market sale opportunities with the Victorian Government (the State) and City of Melbourne (the Council). In February 2019, the State confirmed it was not in a position to acquire the site. In March 2019, Council advised of its interest in potentially acquiring the site through an off-market sale process. Defence is currently working with the Council to explore its interest in an off-market sale.

The site has not been occupied in over 20 years and would require significant refurbishment works to address building safety hazards and building code compliance to enable occupancy. The building has heritage values that will require ongoing protection and management by any future owner. Defence will ensure that a future owner has a financially viable strategy to maintain the heritage values, and to refurbish the building and reduce the safety risks to an acceptable level for occupation.

A proposal by the Australian National Veterans Arts Museum (ANVAM) to gift the site to ANVAM does not align with the Policy, which requires Defence to ensure it provides equitable opportunities for all interested non-government purchasers to acquire surplus Commonwealth property. This policy does not preclude ANVAM from pursuing a tenancy arrangement with the future owner of the site. Defence understands that ANVAM is in discussions with the Council regarding possible future tenancy arrangements.

Defence has also explored ANVAM's request to be assigned as Trustee of the building. The Commonwealth has previously established Trusts, prior to an off-market transfer to a local or state government, for the purpose of transitional management and provisioning funds for the management of Commonwealth property specifically for a public use, such as a national park. Assigning a private organisation as an enduring Trustee of surplus Commonwealth property, such as ANVAM's proposal, does not accord with this intent.

Defence has offered on several occasions to explore possible opportunities to provide ANVAM with licenced access to run veterans arts therapy activities in Defence facilities, including at Victoria Barracks Melbourne, which adjoins the site. ANVAM has declined these offers and advised that it would only be satisfied with occupying the former repatriation building at 310 St Kilda Road.

Defence values its veterans and recognises the importance of the range of wellbeing services that veterans' can benefit from, including arts therapy. The Department of Veterans' Affairs has advised that a collaborative approach to provide a range of wellbeing services to a broad range of veterans is a more effective model than a single service model proposed by ANVAM.