Question on notice no. 103

Portfolio question number: 111

2018-19 Supplementary budget estimates

Foreign Affairs, Defence and Trade Committee, Defence Portfolio

Senator Alex Gallacher: asked the Department of Defence on 24 October 2018—

(1. Has due diligence on the site been completed? Did Defence or the Victorian Government under take this work?

2. When was the Fact Sheet for this divestment project last updated? Is the information current?

3. Is Defence aware of how much it will cost to remediate the site? If yes, how much?
4. Has an off-market offer from the Victorian Government been received by Defence?
If so, what a decision been made on this offer?
Answer —

1. Defence has completed its due diligence activities for 310 St Kilda Road, including a Heritage Assessment and an Environmental Investigation. Defence has been working with the Victorian Government to assist it in undertaking its own due diligence activities to inform its interest in acquiring the site.

2. The fact sheet for the divestment of 310 St Kilda Road was last updated on 21 May 2018. Defence is updating the fact sheet to reflect that the Victorian Government has confirmed its interest in acquiring the site and provided a preliminary off-market sale proposal.

3. Defence has considered the condition of the building in obtaining a sale valuation for the site. Defence does not publicly disclose its valuations, or contributing cost assumptions, ahead of achieving a divestment outcome.

4. On 15 October 2018, the Victorian Government wrote to Defence with a preliminary off-market sale proposal for the state to acquire 310 St Kilda Road. The proposal is non-compliant with the Commonwealth Property Disposal Policy. Defence is working with the Victorian Department of Treasury and Finance to further develop the proposal so that it can be progressed to the Minister for Finance for consideration and approval in accordance with the Commonwealth Property Disposal Policy.