

Senate Foreign Affairs, Defence and Trade Legislation Committee

**Answers to written questions on notice
DEPARTMENT OF DEFENCE**

Additional estimates 2001—2002; 20–21 February 2002

**Sale of Defence Property
QUESTION W10**

- a) Can Defence provide a list of all land sold in 2000–01.
- Indicate the location (town/suburb, State, postcode), size of the property, nature of the property (vacant land, facilities, etc), sale price and purchaser of the land.
- b) Outline the standard process for selling Defence properties. Were there exceptions to this process in 2000–01? If so, specify those cases and the reasons why the standard process was not followed.

RESPONSE

- a) The following table shows Defence properties sold in 2000–01.

| Property Name | Sale Price (\$) | Transfer Date | Town/Suburb | State | Postcode | Size (Ha) | Nature of Property | Purchaser |
|---|--------------------|---------------|-----------------|-------|----------|-----------|----------------------|--|
| Thursday Island Depot | 876,955 | July 2000 | Thursday Island | Qld | 4875 | 0.199 | Training depot | Frank Market Pty Ltd |
| Bomera and Tarana | 6,581,814 | December 2000 | Potts Point | NSW | 2011 | 0.362 | Office accommodation | Fernandez & Hiltan Pty Ltd |
| Homebush Training Depot | 8,102,519 | January 2001 | Homebush | NSW | 2140 | 1.000 | Training depot | Crown International |
| Bullsbrook AP103 Vacant Reserve (part sale) | 97,300 | February 2001 | Bullsbrook | WA | 6064 | 0.643 | Vacant land | Shire of Swan |
| Belmont RAAF Training Depot | 250,396 | February 2001 | Belmont | WA | 6104 | 0.226 | Training depot | Jindabyne Pty Ltd trustee for HW Daly Family Trust |
| Albeura Street Hobart (part sale) | 504,336 | February 2001 | Hobart | Tas | 7000 | 0.806 | Headquarters | JMC Property Group |
| Marrangaroo Ammunition Depot (part sale) | 1,000 | March 2001 | Marangaroo | NSW | 2790 | 4.404 | Vacant land | Mr Neil Danes |
| Marrangaroo Ammunition Depot (part sale) | 380 | March 2001 | Marangaroo | NSW | 2790 | 0.474 | Vacant land | AR and CG Dukes |
| Marrangaroo Ammunition Depot (part sale) | 10 | March 2001 | Marangaroo | NSW | 2790 | 0.015 | Vacant land | RD and WD Corradini |
| Canungra Land Warfare Centre (part sale) | 20,200 | April 2001 | Canungra | Qld | 4257 | 7.059 | Training area | Queensland Dept of Main Roads |
| Leederville RAAF Cadets Depot | 2,875,627 | April 2001 | Leederville | WA | 6007 | 0.405 | Training depot | Cape Bouvard Developments Pty Ltd |
| Bunbury RAAF Cadet Depot | 269,623 | April 2001 | Bunbury | WA | 6230 | 0.259 | Training depot | Citygate Properties Pty Ltd |
| Defence Plaza 655 Bourke St Melbourne | 40,010,000 | May 2001 | Melbourne | Vic | 3000 | N/A | Office accommodation | Swelbet Pty Ltd |
| Padstow Training Depot | 4,381,913 | May 2001 | Padstow | NSW | 2211 | 1.415 | Training depot | Gazcorp Pty Ltd |
| Defence Plaza 270 Pitt St Sydney | 85,118,000 | June 2001 | Sydney | NSW | 2000 | N/A | Office accommodation | ISPT Pty Ltd |
| Dunheved Air Training Corps | 694,934 | June 2001 | Dunheved | NSW | 2760 | 1.020 | Training depot | Mrs Sheridan |
| Belmore Training Depot (Industrial part) | 715,296 | June 2001 | Belmore | NSW | 2192 | 0.181 | Training depot | Chidiac Holdings Pty Ltd |
| Belmore Training Depot (Residential part) | 2,341,473 | June 2001 | Belmore | NSW | 2192 | 0.860 | Training depot | Jalvac Property & Development |
| Wollongong Hydrographic Office | 7,259,960 | June 2001 | Wollongong | NSW | 2500 | 0.193 | Office accommodation | Abacus Nominee Services |
| DSTO Salisbury | 4,090,909 | June 2001 | Salisbury | SA | 5108 | 37.000 | Vacant land | South Australian Government |
| TOTAL | 164,192,645 | | | | | | | |

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- b) The standard process for selling surplus Defence properties is through an open market process. The Commonwealth Property Disposal Policy states that property can be sold through the open market, a priority sale arrangement or a concessional (nominal or below market) sale.

Priority sales are those made direct to a purchaser at full market value without the property having first been offered for sale on the open market. A priority sale may be arranged in the following circumstances:

- Where there is a former owner entitlement, the owner is to be given the right of first refusal at full market value.
- Where the sale to State or local governments would facilitate other Commonwealth or cooperative policy initiatives, or would protect other Commonwealth property interests. In this circumstance, the sale is to be negotiated on the basis of the highest price possible given the intended end use.
- Where Commonwealth-funded organisations seek special consideration in the disposal of surplus property and have the support of the relevant portfolio Minister. In this circumstance, the sale is to be negotiated on the basis of the intended use.

All priority sales in the above categories require the approval of the Minister for Finance and Administration.

Concessional sales are those priority sales concluded at a purchase price below market value. Such sales can only occur in cases where, in the opinion of the Minister for Finance and Administration, the balance of interests of the Commonwealth favour the sale proceeding. Notwithstanding that the purchase price agreed with the vendor is below market value. All other aspects of a concessional sale are the same as a priority sale.

During 2000–01 the following priority or concessional sales occurred:

| Property Name | Town/ Suburb | State | Comment |
|---|---------------------|--------------|---|
| Bullsbrook AP103 Vacant Reserve (part sale) | Bullsbrook | WA | Priority sale to shire council |
| Marrangaroo Ammunition Depot (part sale) | Marangaroo | NSW | Concessional sale of rail easement to adjoining owner |
| Marrangaroo Ammunition Depot (part sale) | Marangaroo | NSW | Concessional sale of rail easement to adjoining owner |
| Marrangaroo Ammunition Depot (part sale) | Marangaroo | NSW | Concessional sale of rail easement to adjoining owner |
| Canungra Land Warfare Centre (part sale) | Canungra | Qld | Priority sale for road widening for the Queensland Department of Main Roads |

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Sale of Defence Equipment
QUESTION W11

Can Defence provide a list of all equipment sold in 2000–01 (where the sale exceeded \$10,000 in value).

Indicate the type of equipment sold, sale price and purchaser.

Outline the standard process for selling Defence equipment. Were there exceptions to this process in 2000–01? If so, specify those cases and the reasons why the standard process was not followed.

RESPONSE

The standard sale process for equipment declared surplus to Defence requirements would normally be by public sale—ie advertised and/or sold via a public process such as tender or auction. This process is in place to promote effective competition for the asset being disposed of, which in turn increases the potential to maximise revenue to the Commonwealth. Equipment sales are required to conform to the need to achieve the best outcome for the Commonwealth.

Exceptions to the public sale of surplus Defence equipment include where equipment is gifted—which is usually subject to Ministerial approval; where heritage issues are involved; or generally where the requirements of efficiency and effectiveness may lead to the equipment being sold at less than the best possible price.

The following two examples represent cases where a departure from the process outlined above has occurred in 2000–01:

- The method of sale chosen for ex-HMAS *Ardent* was restricted to known interested parties, following the failure of protracted negotiations with the Northern Territory Government. Advice was sought from the Australian Government Solicitor, which concluded that this sale method offered the best outcome for the Commonwealth, given the circumstances of the need to dispose of a deteriorating vessel.
- Defence sold a range of assets to a number of its Garrison Support contractors (Serco Sodexho Defence Services, Transfield General Services and Spotless Services) at replacement cost in accordance with the relevant contracts. Defence previously provided this equipment as Government Furnished Equipment and has a policy of transferring this asset responsibility to its contractors where value for money can be demonstrated.

The table below indicates equipment assets disposed of in 2000–01 with sale proceeds greater than \$10,000, excluding commercial vehicle sales, as the volume of transactions exceeds 1,800 individual commercial vehicle trade-ins or disposals in 2000–01.

Commercial vehicle sales are predominantly related to the routine and ongoing management of Defence's commercial fleet. Details regarding commercial vehicle sales could not be ascertained as most vehicles are sold by the Defence Commercial Vehicle Contract manager, on behalf of Defence, generally through auction houses. The contractor does not retain details of the vehicle

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purchasers. The average realised value for a vehicle sold is between \$15,000—\$65,000 depending on the type, age and condition of the vehicle.

List of equipment sold

| Equipment Sold | Sale Price (\$) | Purchaser |
|---|-----------------|---|
| Miscellaneous low value furniture & fittings ⁽¹⁾ | 453,593 | General public |
| Miscellaneous low value garrison support equipment ⁽¹⁾ | 252,044 | Serco Sodexho Defence Services |
| Miscellaneous low value transport equipment ⁽¹⁾ | 37,750 | Transfield |
| Miscellaneous low value general equipment ⁽¹⁾ | 187,851 | Spotless Services Limited |
| Miscellaneous low value general equipment ⁽¹⁾ | 65,475 | Transfield |
| 1 x Sweeper Rotary Self Propelled | 12,000 | Spotless Services Limited |
| 1 x Mercedes Rural Fire Tender, 4x4 | 15,000 | Transfield |
| 1 x Mercedes Rural Fire Tender, 4x4 | 15,000 | Transfield |
| 1 x Mercedes Rural Fire Tender, 4x4 | 15,000 | Transfield |
| 1 x Mercedes Rural Fire Tender, 4x4 | 15,000 | Transfield |
| 1 x Mercedes Rural Fire Tender, 4x4 | 15,000 | Transfield |
| 1 x Truck Ute LTWT MC3 Hilux | 17,000 | Transfield |
| 1 x Bus small 7-14 Seats MC 4 | 21,500 | Transfield |
| 1 x Truck Forklift Yale | 25,000 | Transfield |
| 1 x Tractor Wheeled LT Kubota | 30,000 | Transfield |
| 1 x Tractor Wheeled LT Kubota | 30,000 | Transfield |
| 1 x Tractor Wheeled LT Kubota | 30,000 | Transfield |
| 1 x Hino Compactor 1989 | 30,000 | Transfield |
| 1 x Bus 17 Seats Nissan Civilian | 45,000 | Transfield |
| 1 x Bus 20 Seats Nissan Civilian | 50,000 | Transfield |
| 1 x Table Top Isuzu FSR700 | 50,000 | Transfield |
| 1 x Hino 1995, Road Sweeper | 55,000 | Transfield |
| 1 x Truck 14 Tonne Isuzu FVM1400L | 60,000 | Transfield |
| 1 x S/C Table Top | 60,000 | Transfield |
| 1 x Hino 1995 | 65,000 | Transfield |
| 1 x Bus 58 Seats Volvo B101 | 170,000 | Transfield |
| 1 x Bus Heavy MC 4 | 280,000 | Transfield |
| 1 x Bus Heavy MC 4 | 280,000 | Transfield |
| 1 x Fire Truck Trident 6000, 4x4 Modular | 300,000 | Transfield |
| 1 x Fire Truck Trident 6000, 4x4 Modular | 300,000 | Transfield |
| 1 x DAF Prime Mover | 65,000 | Transfield |
| 1 x DAF Prime Mover | 60,000 | Transfield |
| 1 x Tanker 14000 litre | 30,000 | Transfield |
| 1 x Tanker 14000 litre | 40,000 | Transfield |
| 1 x Tanker 14000 litre | 60,000 | Transfield |
| 1 x Ford Ebling Sweeper | 10,000 | Transfield |
| 1 x FMC Sweeper | 27,000 | Transfield |
| 1 x FMC Sweeper | 25,000 | Transfield |
| 1 x Isuzu Tanker 8000 litre | 35,000 | Transfield |
| 1 x Isuzu Tanker 8000 litre | 60,000 | Transfield |
| 1 x Isuzu Tanker 8000 litre | 60,000 | Transfield |
| 1 x Isuzu Tanker 8000 litre | 65,000 | Transfield |
| 1 x Tanker 14000 litre | 50,000 | Transfield |
| 1 x Trailer Fuel 30000 litre | 30,000 | Transfield |
| 1 x Trailer Fuel 30000 litre | 30,000 | Transfield |
| 1 x Ford Courier Caversham | 21,019 | Transfield |
| 1 x Holmatro Rescue Kit – Damaged | 20,211 | Transfield |
| 1 x Holmatro Rescue Kit | 25,000 | Transfield |
| Kubota Outfront Mower | 17,250 | Auctioned - Purchaser not readily available |
| Kubota Outfront Mower | 15,000 | Auctioned - Purchaser not readily available |

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| Equipment Sold | Sale Price (\$) | Purchaser |
|-------------------------------|--------------------|---|
| Kubota Outfront Mower | 13,000 | Auctioned - Purchaser not readily available |
| Kubota Tractor | 18,500 | Auctioned - Purchaser not readily available |
| Kubota Tractor | 15,000 | Auctioned - Purchaser not readily available |
| Bulldozer | 42,000 | Auctioned - Purchaser not readily available |
| Tipper | 21,500 | Auctioned - Purchaser not readily available |
| 8 Wheel Fuel Dispenser | 22,000 | Auctioned - Purchaser not readily available |
| Firetruck | 54,000 | Auctioned - Purchaser not readily available |
| Firetruck | 22,500 | Auctioned - Purchaser not readily available |
| Firetruck | 23,500 | Auctioned - Purchaser not readily available |
| Firetruck | 28,500 | Auctioned - Purchaser not readily available |
| Landcruiser | 15,000 | Auctioned - Purchaser not readily available |
| Landcruiser | 10,750 | Auctioned - Purchaser not readily available |
| Milling Machine | 17,750 | Auctioned - Purchaser not readily available |
| Tractor | 15,000 | Auctioned - Purchaser not readily available |
| Prime Mover | 20,500 | Auctioned - Purchaser not readily available |
| HS748 Airframe spares | 350,000 | Thameside Aero Spares Ltd Middlesex England |
| HS748 Aircraft | 10,000 | International Air Parts Australia Warriewood NSW |
| HS748 Aircraft | 620,000 | TAG Aviation Elsenham, Bishops Stortford, Herts, England |
| HS748 Aircraft | 810,000 | TAG Aviation Elsenham, Bishops Stortford, Herts, England |
| HS748 Aircraft | 215,000 | TAG Aviation Elsenham, Bishops Stortford, Herts, England |
| HS748 Aircraft | 205,000 | TAG Aviation Elsenham, Bishops Stortford, Herts, England |
| Ex HMAS Ardent | 150,000 | Britton Marine |
| Propellers | 63,000 | Riverside Metals (Sea) |
| Milling Machine | 10,000 | Auctioned - Purchaser not readily available |
| Tractor | 16,250 | Auctioned - Purchaser not readily available |
| TOTAL PROCEEDS ON SALE | 6,501,444 | |

Note

1. No single sale in these items exceeded \$10,000.

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ADF Personnel Deterring Illegal Fishing

QUESTION W12

Is the ADO aware of any plans to place ADF personnel on Australian fishing boats to assist in deterring boats registered in other countries from illegally fishing in Australian waters? If so, what is being proposed? Has such a proposal been formally considered by the Department? Has such a proposal been formally considered by the Government? Has a decision been made to implement such a proposal? Would the ADF personnel be armed? What would be their role in confronting a fishing boat suspected fishing illegally?

RESPONSE

Commonwealth departments and agencies are developing a comprehensive strategy for fisheries surveillance and enforcement of Australia's Exclusive Economic Zone in the Southern Ocean. That process will canvass a wide range of options, including the possible deployment of ADF personnel on non-ADF vessels. The Government has yet to receive recommendations on that particular matter.