

**ESTIMATES BRIEF – Hot Issue****DIVESTMENTS****Additional Estimates – February 2026****Defence Estate Audit – Divestment Program****Subject/Issue**

The Department of Finance (Finance) will lead a major divestment program of surplus Defence properties, as identified through the Defence Estate Audit (the Audit).

**Key facts and figures**

- On 4 February 2026, the Government released a public version of the Audit and the Government's response to it – agreeing or agreeing-in-principle to all 20 of the Audit's recommendations.
- The Audit identified 68 surplus properties for divestment. Of these, 3 have been divested, 6 are currently under divestment by Defence and one requires retention as there are no alternative sites where the current Defence functions can be performed.
- The Minister for Finance will be responsible for the divestment of 58 Defence properties. Finance is leading this process due to its experience in managing large-scale divestment programs and remediation.
  - Finance has established a Divestment Branch to lead this work.
- Finance will undertake a due diligence process to identify properties suitable for early divestment and develop options for divestment, including options for supporting the Government's housing agenda.
  - There will be many properties that may take some time to divest due to complexities such as heritage buildings or collections, more complex remediation and personnel that will require relocation, that will involve longer-term strategic planning and transition arrangements.
- First Nations communities will be consulted prior to any consideration of a sale process commencing. This includes all cultural heritage obligations under the [Environment Protection and Biodiversity Conservation Act 1999](#).
  - The Government will consult with Traditional Owners throughout the divestment process to ensure Indigenous cultural values are identified, respected and managed appropriately.

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- The Government will work with First Nations communities to maintain access arrangements where possible and ensure cultural values are respected during and after divestment. Ongoing engagement will guide decisions to support culturally appropriate outcomes.
- Proceeds from divestments will be utilised to cover the costs of the divestment process, with net proceeds to be reinvested back in Defence to support National Defence Strategy priorities.
- Finance is finalising the procurement to appoint a strategic industry partner to undertake due diligence activities (including environmental, heritage, and contamination assessments), property valuations, developing divestment strategies and options, providing market advice, supporting sales negotiations, and any actions required under relevant legislation.
  - It is essential that due diligence is undertaken to understand the values and constraints on sites, including the extent of any contamination that may be present and require remediation and/or disclosure as part of the divestment, and to minimise any post-sale risks to the Commonwealth.
- Roles and Responsibilities:
  - (a) Finance is the lead agency for the divestment process and is engaging a strategic industry partner to conduct due diligence activities, develop divestment strategies and recommend prioritisation of properties.
  - (b) Defence is responsible for transition and change management plans, stakeholder management, relocation of personnel and assets, ongoing maintenance and security of the properties, and remediation caused by contaminants unique to Defence. Defence will also support Finance regarding any environmental and heritage approvals, new capital works proposals and any associated Public Works Committee requirements.
- An MOU was formalised between Finance and Defence on 15 December 2025 to address administrative arrangements including valuation methodology, transfer of site ownership, payment arrangements and reconciliation processes, and accounting of remediation costs.
- A Working Group (EL2/SES Band 1) and Steering Committee (SES Band 2) has been established, with membership from Finance, Defence, the Department of Prime Minister and Cabinet, the Treasury and the Department of Climate Change, Energy, the Environment and Water.

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- Procurements:

	Released to market	Supplier	Estimated Value	Procured via
Strategic industry partner	<i>Open:</i> 24 Nov 2025 <i>Close:</i> 19 Dec 2025	Execution expected in early Feb 2026	Not yet appointed	Defence Infrastructure Panel (SON3881873), under Property Acquisitions and Disposal service category.
Probity adviser	<i>Open:</i> 17 Nov 2025 <i>Close:</i> 4 Dec 2025	HWL Ebsworth 19 Jan 2026 - 31 Dec 2027	\$195,500	Management and Advisory Services (MAS) Panel (SON3751667), under Probity and Advisory Services (non-legal) service category
Legal adviser	<i>Open:</i> 24 Nov 2025 <i>Close:</i> 12 Dec 2025	Maddocks 30 Jan 2026 - 31 Jan 2028	\$3,948,110	WOG Legal Services Panel (SON4072331), Property and Environment service category

- In addition, AGS was engaged on 3 February 2026 to deliver tied work relating to constitutional issues, Cabinet processes, and national security matters with a contract value of \$20,000.
- Defence has established a webpage on their internet site providing details and key facts and figures of each individual property, including size and location. There is also a link for interested parties to contact the relevant team in Finance and/or to complete an Expression of Interest Form. This is on the Finance webpage and will help determine market interest.
  - Once due diligence activities have been completed, interested parties will be contacted to advise of next steps. The Finance webpage also includes an email point of contact for the Divestment Branch as well as for any media enquiries.

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**Background**

- In response to the 2023 Defence Strategic Review, the Government initiated an independent enterprise-wide audit of the Defence estate to assess whether the Defence estate met contemporary operational and capability requirements. The Audit found that the Defence estate is not for purpose and made 20 recommendations aimed at re-orienting the Defence estate to meet current and future capability needs.
- The Audit recommended the divestment and consolidation of 68 sites not aligned with current or future capability priorities, as well as recommendations pertaining to the effective, efficient and sustainable management of the Defence estate.
- *History and Heritage*
  - Many sites have history and meaning and the Government is committed to preserving and enhancing public access to historically significant sites and collections. For example, the heritage value of certain sites like Victoria Barrack Sydney will be enhanced by opening this site up to the public.
  - The Audit found that Defence maintains at least 130 known museums, history rooms and displays; however, 80 per cent of these are not easily accessible to the public. Collectively this equates to 20 hectares of the estate dedicated to the storage of heritage items.
  - Defence will engage key historical organisations and community groups such as the Australian War Memorial, Shrines of Remembrance and Trusts to best preserve and honour our military history as part of the divestment process.
- *Contamination and Environmental Factors*
  - These matters will be considered on a site-by-site basis with expert input as part of the divestment process.
  - Divestment processes will comply with relevant parts of the Environment Protection and Biodiversity Conservation (EPBC) Act.
- *Community Impacts Including Veterans and Regional Communities*
  - Defence will engage with community organisations who access Defence sites, including existing tenants, to work through their individual circumstances and future needs.

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- For sites with significant history and heritage elements, there will be community engagement to inform decisions on preserving and enhancing heritage preservation and public access.
- Traditional Owners will be consulted throughout the divestment process to ensure Indigenous cultural values are identified, respected and managed appropriately.

## DIVESTMENTS

## Defence Estate Audit Site Details

No.	Property
<b>Australian Capital Territory</b>	
1	Fairbairn - Golf Course
2	Pialligo South
<b>New South Wales</b>	
3	Banksmeadow Training Depot
4	Bathurst Training Stores Depot
5	Haberfield Training Depot
6	HMAS Penguin
7	Lancer Barracks
8	Londonderry Transmitting Station
9	Penrith Training Depot
10	Pittwater Drive Annex
11	RAAF Glenbrook
12	Randwick Barracks
13	Spectacle Island
14	Timor Barracks
15	Victoria Barracks, Sydney
<b>Northern Territory</b>	
16	Defence Establishment Berrimah
17	Kowandi North
18	Stokes Hill Fuel Installation
<b>Queensland</b>	
19	Atherton Rifle Range
20	Garbutt (Duckworth Street) – RAAF Base Townsville
21	Kokoda Barracks
22	Magnetic Island (Amaroo Apartments)
23	Milne Bay Training Depot
24	Purga Rifle Range
25	St Lucia Training Depot
26	Strathmuir Station
27	Victoria Barracks Brisbane
28	Wangetti Rifle Range
29	Mount Isa Rifle Range
<b>South Australia</b>	
30	Edinburgh Parks
31	Hampstead Barracks
32	Warradale Barracks
33	Woodside Barracks
<b>Tasmania</b>	
34	Buckland Military Training Area
35	Burnie Training Depot
36	Devonport Training Depot
37	Derwent Barracks
38	Fort Direction
39	Scottsdale -Defence Nutrition Site
40	Stony Head Military Training Area
41	Youngtown Training Depot
42	Devonport – Training Ship Mersey
43	George Town – Training Ship York
44	Hobart – Training Ship Derwent
45	Launceston – Training Ship Tamar
46	St Helens – Training Ship Argonaut
47	Burnie – Training Ship Emu
48	Bridgewater Training Depot
<b>Victoria</b>	
49	Carlton Training Depot
50	Defence Site Maribyrnong
51	Fort Queenscliff
52	Geelong (Air Force Cadet Unit)

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No.	Property
53	HMAS Cerberus
54	Kyneton Training Depot
55	Latchford Barracks
56	Newland Barracks
57	RAAF Williams – Laverton
58	RAAF Williams – Point Cook
59	Sandringham Training Depot
60	St Kilda Training Depot
61	Swan Island
62	Victoria Barracks Melbourne
63	Repatriation Clinic – 310 St Kilda Road (included in Victoria Barracks Melbourne)
64	Geelong – Training Ship Barwon
<b>Western Australia</b>	
65	Irwin Barracks
66	Leeuwin Barracks
67	Coolilup Rifle Range
68	Karratha/Dampier Rifle Range

## Legend

6 properties - Defence divesting
3 properties – Divested
1 property – To be retained
58 properties - Finance divesting

## Supporting information

## Questions on Notice

- No QoNs asked – QB26-000064 prepared

## Freedom of Information (FOI) Requests

- No FOIs asked

## Recent Ministerial Comments

- Nil

## Relevant Media Reporting

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