

INQUIRY INTO THE MANAGEMENT OF DEFENCE ESTATE ASSETS

The Australian Cadet Corps (ACC) welcomes the opportunity to provide a submission to the committee regarding the management of Defence estate assets. As a national youth development organisation, we play a vital role in fostering leadership, discipline, service, and civic responsibility among young Australians. Importantly, our programs contribute directly to long term Defence capability by providing a pathway into the Australian Defence Force (ADF) and ADF Cadets (ADFC), particularly at a time when recruitment and retention remain pressing national concerns.

While the ACC does not currently occupy the specific sites identified for divestment in the Defence Estate Audit (DEA), we are actively pursuing expansion into such locations in cooperation with other cadet organisations and Defence stakeholders. As such, decisions made through this process will have direct and lasting implications not only for Defence infrastructure, but for youth engagement, recruitment pipelines, and community connection to Defence. It is from this perspective that we oppose the broad divestment of Defence estate assets; particularly those located in metropolitan areas or those capable of supporting cadet and reserve activities.

We do however acknowledge the need to reprioritise Defence spending, we submit that the current approach is financially overstated, strategically short sighted, and fails to consider the broader national interest.

The DEA outlines potential revenue of approximately \$3 billion from divestments, with upfront costs of around \$1.2 billion, leaving net proceeds of \$1.8 billion. These figures are preliminary and subject to change. This indicates that nearly half the value of sales may be absorbed by costs. The ACC is concerned that these estimates underestimate long-term remediation, heritage, and relocation expenses. Selling assets for short fiscal gain risks losing long term strategic and economic value.

The ACC opposes the sale of Defence land to private enterprise where alternative public or government operated uses exist. Defence land should not be treated as a short-term financial instrument to resolve budgetary pressures. It is a long-term national asset capable of generating sustained economic and strategic value. The Government should instead prioritise retaining ownership of key sites and exploring leasing arrangements or joint use models that generate ongoing revenue streams.

In many cases, investment in existing land, through redevelopment, co-location, or infrastructure upgrades could produce far greater long-term returns than outright sale. This approach would allow Defence to both maintain strategic presence and generate income to fund future capability projects, rather than permanently relinquishing valuable assets. We acknowledge that this cannot always be done for some sites and many sites which are effectively abandoned like the facility at Maribyrnong. In these examples it makes practical sense to sell the land for market value and use that to help refurbish existing other sites.

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The audit identifies underutilisation of cadet and reserve facilities as a key justification for consolidation and divestment. This interpretation fails to properly account for the nature of Cadets and reserve services. These units operate primarily outside standard hours, including evenings and weekends, and are designed to be community-based and locally accessible. Measuring utilisation purely in terms of occupancy is therefore misleading.

Rather than viewing this as inefficiency, it should be seen as an opportunity. Increasing participation in cadet and reserve programs would naturally improve utilisation rates, while also strengthening Defence recruitment pathways and community engagement. Furthermore, increasing occupancy can be enhanced by sub leasing buildings and opening more defence buildings to community activities.

Instead of reducing infrastructure, the Government should be actively seeking to expand cadet and reserve participation. This includes improving access to facilities, enabling co-location between services, and ensuring that units remain embedded within the communities they serve. Closing or consolidating urban sites will only increase barriers to participation which will further reduce enrolment numbers and weaken the long-term pipeline into Defence service. This point is particularly relevant given that recruitment is already under pressure, this represents a strategically unsound approach.

Cadet and reserve programs are not peripheral to Defence capability; they are foundational to it. The Audit makes clear that the primary purpose of the Defence estate is to support the preparedness of the ADF, yet it also acknowledges that Defence's connection to the community is a critical component of its function. Cadet programs sit at the intersection of these objectives. They provide early exposure to Defence values, create pathways into service, and maintain a visible Defence presence within communities. The removal of Defence presence from urban and regional centres risks eroding this connection and diminishing public understanding and support for Defence institutions. Maintaining accessible, visible, and functional facilities is therefore not simply an operational consideration, but a strategic necessity.

There is also an opportunity to better integrate cadet and reserve personnel into the ongoing use and maintenance of Defence estate assets. Supervised programs involving cadets, apprentices and reservists in construction and or maintenance support can provide practical skills training while simultaneously reducing operational costs. This would create a mutually beneficial system in which Defence infrastructure supports youth development, and youth development supports the sustainability of Defence infrastructure. These initiatives would also reinforce discipline, technical capability, and engagement with Defence systems.

Heritage considerations also weigh heavily against wholesale divestment. Many Defence sites hold deep historical and cultural significance, both for veterans and the broader community. Transferring these sites into private ownership risks the loss of heritage integrity, reduced public access, and the erosion of important national narratives. While the audit highlights the cost and complexity of maintaining heritage listed properties, the solution should not be their disposal to private enterprise.

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A review on the heritage value of some of these sights may be needed instead. These sites should be retained within public ownership and repurposed where possible for community, educational, or cadet use. This would preserve their historical value while ensuring they continue to serve a meaningful public function.

The ACC acknowledges that reform of the Defence estate is necessary. However, the current approach is overly driven by short term considerations. A more balanced approach is required, one that retains key assets and leverages leasing and development opportunities. This will help expand cadet and reserve engagement and recognises the enduring value of Defence presence within Australian communities.

At a time of increasing strategic uncertainty and declining recruitment, reducing Defence's footprint in communities is counterproductive. The ACC therefore urges the Committee to recommend a more measured and strategic approach to estate management. A plan that views Defence land not as surplus to be sold, but as an asset to be developed, utilised, and preserved in the national interest. These sites should remain in public hands wherever possible.



Peter Glover
Commissioner

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