

7.3 Notice of Motion, Lord Mayor Nicholas Reece: Commonwealth Defence Estate Divestment Opportunities (Southbank and Carlton)

Mover: Lord Mayor, Nicholas Reece

Seconded: Deputy Lord Mayor, Roshena Campbell

Motion

1. That the Future Melbourne Committee:

1.1. **Requests management to:**

1.1.1. **Develop** options for the potential future uses of the Victoria Barracks Melbourne site (5.7 hectares), Repatriation Clinic – 310 St Kilda Rd (0.17 hectares) and the Carlton Training Depot (0.26 hectares) should they become available for acquisition or partnership opportunities, including: opportunities for community infrastructure, potential to enhance open space and public realm, opportunities for heritage-led adaptive reuse, alignment with Council’s draft Community Infrastructure Plan and long-term precinct planning.

1.1.2. **Provide** advice on the land use and built form controls that should apply to the identified Defence Estate sites once they are no longer owned or used by the Commonwealth for Defence purposes.

1.1.3. **Prepare** an initial assessment of the potential community, economic, cultural, environmental and civic benefits that could be realised should the Victoria Barracks Melbourne site, Repatriation Clinic – 310 St Kilda Rd and the Carlton Training Depot become available, including identifying gaps in community infrastructure across the St Kilda Road–Southbank–Domain Precinct and the Carlton Precinct; and

1.1.4. **Report back** to Councillors:

1.1.4.1. On the role of City of Melbourne and its partnership with the Commonwealth Government throughout the Defence Estate divestment process, including anticipated timeline.

1.1.4.2. With findings and recommended next steps within six months, or earlier should new information become available.

1.2. **Notes** the draft Community Infrastructure Plan, which identifies the Victoria Barracks Melbourne site as a significant longer-term opportunity should it become available, with potential to deliver much needed community infrastructure and expanded open space consistent with the City of Melbourne’s Open Space Strategy (2024). The Open Space Strategy highlights the site (or the VCA site) as a priority location for a 1–3-hectare neighbourhood open space offering play areas, informal courts, exercise equipment and barbeques.

1.3. **Notes** Council undertook preliminary work to understand the feasibility of acquiring 310 St Kilda Road after being approached by ANVAM and the Department of Defence in April 2021. At the Council meeting on 26 October 2021, Councillors resolved not to proceed with the purchase because no State or Federal funding commitments were available to meet the significant site remediation costs estimated around \$21 million and ongoing management costs. Without this external support, the acquisition posed an unacceptable financial risk for Council.

1.4. **Requests** the Lord Mayor write to the Minister for Defence, the Minister for Finance, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Minister for Housing, the State Minister for Planning, and the Members for Melbourne and Macnamara, expressing Council’s interest in working collaboratively with both the Commonwealth and Victorian

Governments on future planning for the identified Defence Estate assets to ensure any future use reflects the needs of the City of Melbourne community.

Background

2. In 2024, the Commonwealth undertook a Defence Estate Audit, reviewing the entire national Defence property portfolio to assess whether sites remain fit for contemporary operational needs.
3. On 5 February 2026, the Federal Government confirmed that Victoria Barracks Melbourne is among 16 Defence properties in Victoria earmarked for divestment, as part of a nationwide program to consolidate Defence assets and generate up to \$3 billion in revenue.
4. Victoria Barracks Melbourne, located at 256–310 St Kilda Road, spans 5.7 hectares and is one of Australia’s most significant Defence heritage sites, with bluestone buildings dating from 1856–1872 originally built for British colonial forces. It later became the Department of Defence headquarters and housed the Australian War Cabinet during World War II, highlighting its national historic importance. The precinct includes eight Commonwealth Heritage listed buildings protected under the EPBC Act, requiring strict heritage conservation if the site is sold or redeveloped. Its prominent St Kilda Road location—opposite the Shrine of Remembrance and beside the Domain Parklands—positions it as a rare opportunity for future public benefit, including civic uses, cultural facilities or open space outcomes, should the land become available.
5. The Repatriation Clinic is a two storey Art Deco building constructed in 1937 specifically to provide outpatient medical care for World War I veterans. It later supported veterans of WWII, Korea, and Vietnam. It is the only surviving Commonwealth built outpatient clinic for ANZAC veterans and is considered a site of significant cultural and historical value. The building has been vacant since 1998 and was declared surplus to Defence needs in 2015. Major maintenance, remediation, safety and heritage works were completed in December 2023, but the site remains unsuitable for occupancy. It sits within the Commonwealth Heritage listed Victoria Barracks precinct, and any divestment must protect its heritage value through measures such as adaptive reuse, retention of heritage elements, or archival recording. Community engagement will guide heritage and access outcomes.
6. The Carlton Training Depot is a 0.26 hectare inner city site located 1.5km northeast of the CBD. It comprises two buildings used as office space and training facilities for Army Reserves, including the University of Melbourne Regiment. Personnel levels include 10–50 ADF, fewer than 10 APS staff, and 100–150 Reservists. Under the Defence Estate Audit, the site is flagged for full divestment. Reserve and training functions will relocate to Simpson Barracks, about 17km away, while administrative staff will move to Defence Plaza Melbourne.
7. Local stakeholders have expressed concern about the risk of heritage loss, potential commercial overdevelopment, and the lack of clarity regarding future public access and land use following the divestment announcement.
8. The City of Melbourne’s draft Community Infrastructure Plan, Open Space Strategy, and long-term planning frameworks provide mechanisms for evaluating opportunities to enhance community benefit through major land acquisitions should they arise.
9. The draft Community Infrastructure Plan aims to guide long term planning and investment in community facilities across the municipality by identifying current and future community needs, addressing gaps in services, and supporting equitable access to spaces that enable health, wellbeing, learning, connection and participation. It provides a strategic framework to ensure that as the city grows, community infrastructure—such as early years services, libraries, community hubs, arts and cultural spaces, recreation facilities and open space—is planned, delivered and upgraded in a coordinated, sustainable and future focused way.
10. The City of Melbourne Open Space Strategy (2024) has an action to seek an open space in either the VCA or Victoria Barracks sites if these redevelop within the Strategy timeframe. The Strategy identifies the site for a neighbourhood open space of between 1 and 3 hectares. A neighbourhood open space

would provide a different functional offer to the Domain Parklands and would typically include play space/s, informal outdoor court/s, exercise equipment and barbeques.

11. The City of Melbourne was approached by ANVAM and the Department of Defence in April 2021 to consider involvement in the purchase of 310 St Kilda Road, a site that had been vacant for two decades and is now in significant disrepair. Council's potential support was contingent on securing external funding to cover both site remediation and ongoing operational costs; however, no such commitments were forthcoming. At its meeting on 26 October 2021, Council endorsed management's decision not to proceed with the acquisition. The City of Melbourne acknowledged ANVAM's important contribution to veterans' health and wellbeing by providing opportunities for veteran artists to exhibit and share their stories locally and internationally. Council had written to ANVAM and the Hon Melissa Price MP advising that, without the necessary funding support, it is unable to facilitate the purchase, noting that responsibility for veterans' affairs and related services primarily lies with the Commonwealth Government.