

A long, two-story colonial-style building with a series of columns and a balcony, set against a backdrop of trees and a cloudy sky. The building is the central focus of the image.

**BUSINESS
SYDNEY**

Victoria Barracks Sydney

Why it must remain a Defence asset

June 2026



EXECUTIVE SUMMARY

Sydney confronts the dual challenges of population growth and housing supply. It is essential that policy responses are both effective and strategically sound.

The potential sale of Victoria Barracks in Paddington has emerged as part of the selloff of surplus Defence properties.

Victoria Barracks is far from being surplus. Its sale would be a fundamental misstep that sacrifices a critical national asset.

It would also go against the fact that alternative projects including the redevelopment of Parramatta Road could deliver far more new housing.

This paper makes a strong case for Victoria Barracks to be retained as an operational Defence facility. It argues that the site's heritage, security function, public health system integration, and economic logic overwhelmingly outweigh any perceived benefit from its disposal.

As referred to above, the paper proposes more viable alternatives to address Sydney's housing needs.

SYDNEY AT A CROSSROADS: Growth, Pressure, and Strategic Choices

Sydney is one of the world's most desirable global cities, but with that status comes pressure.

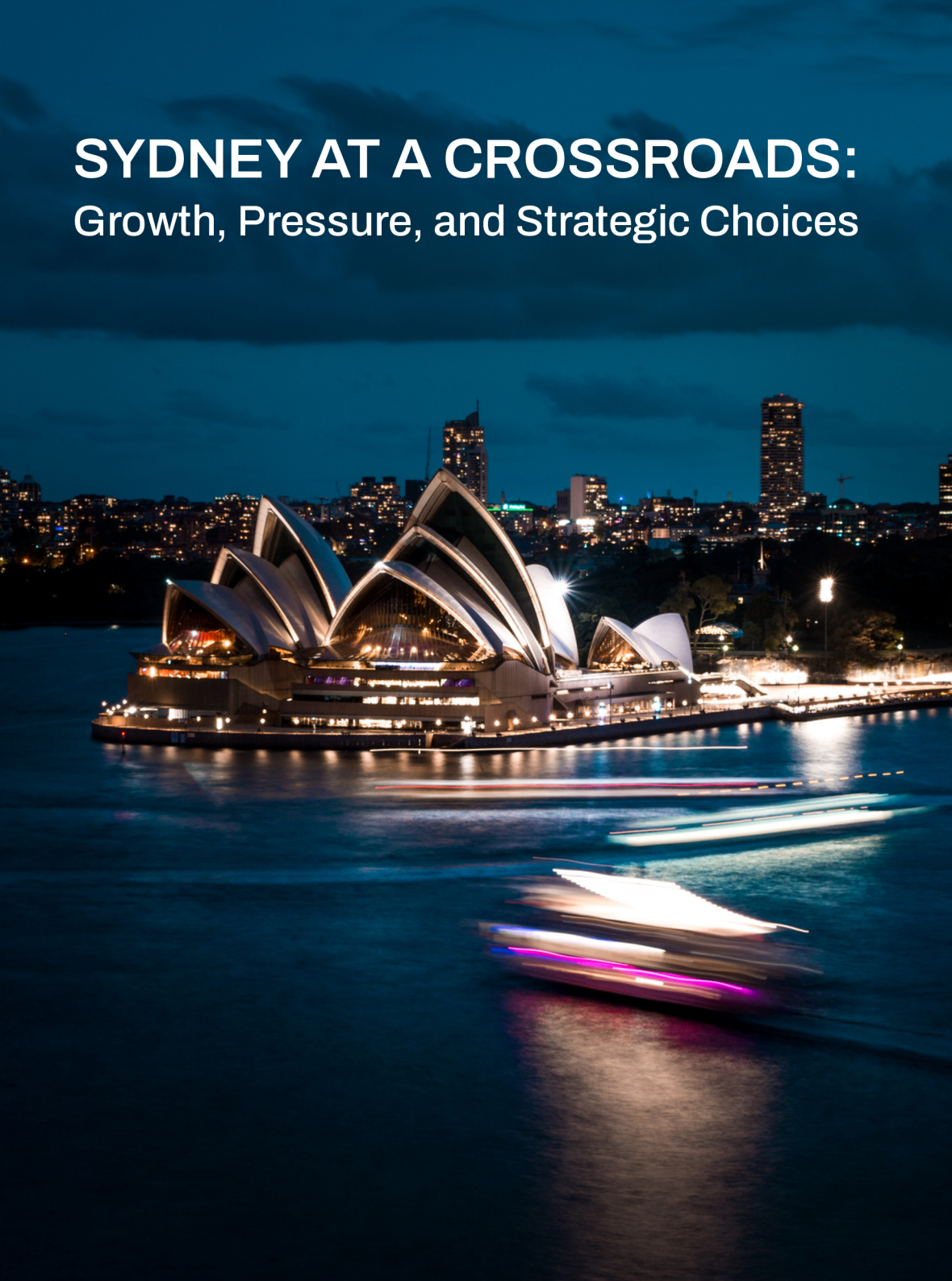
Population growth, infrastructure strain, and housing affordability are shaping public debate and policy priorities. Governments at all levels are seeking solutions, many of which require bold thinking and structural reform.

Yet not all land is equal.

The temptation to unlock centrally located government land for housing must be carefully scrutinised.

Strategic assets, particularly those tied to national security, emergency response, and heritage, should not be viewed through a narrow lens of land value alone.

Victoria Barracks represents precisely this kind of asset.





A NATIONAL TREASURE: Heritage Significance

Established in the mid-19th century, Victoria Barracks is one of the most significant surviving colonial-era military complexes in Australia.

However, it is not an historical artifact. It is a working Defence asset that could play an even greater strategic role.

Its sandstone buildings, parade grounds, and layout offer a rare and intact window into the nation's early military and civic development.

It is irreplaceable in heritage and contemporary operational terms.

Organisations such as the National Trust of Australia (NSW) have consistently recognised Victoria Barracks'

exceptional cultural and historical value.

Once lost or materially altered, such heritage cannot be reconstructed or meaningfully replicated.

In a city undergoing rapid transformation, places like Victoria Barracks anchor Sydney's identity.

They provide continuity, character, and a tangible link between past and present qualities that are increasingly rare and deeply valued by residents and visitors alike.



OPERATIONAL REALITY: A Critical Defence Hub

Far from being surplus, Victoria Barracks is an active and indispensable component of Australia's Defence infrastructure.

It serves as:

- A central command hub with oversight across a significant portion of the Australian Army
- A base for training and coordination
- A staging ground for rapid deployment within metropolitan Sydney

Its proximity to the CBD ensures that Defence personnel can respond quickly to major incidents, including security threats, natural disasters, and large-scale public events.

In an era of increasing geopolitical uncertainty and complex domestic security challenges, decentralising or diminishing such capabilities would be counterproductive.

Retaining and indeed strengthening the operational role of Victoria Barracks is a far more strategic approach than divestment.

Victoria Barracks is a critical command coordination hub for the Australian Army.

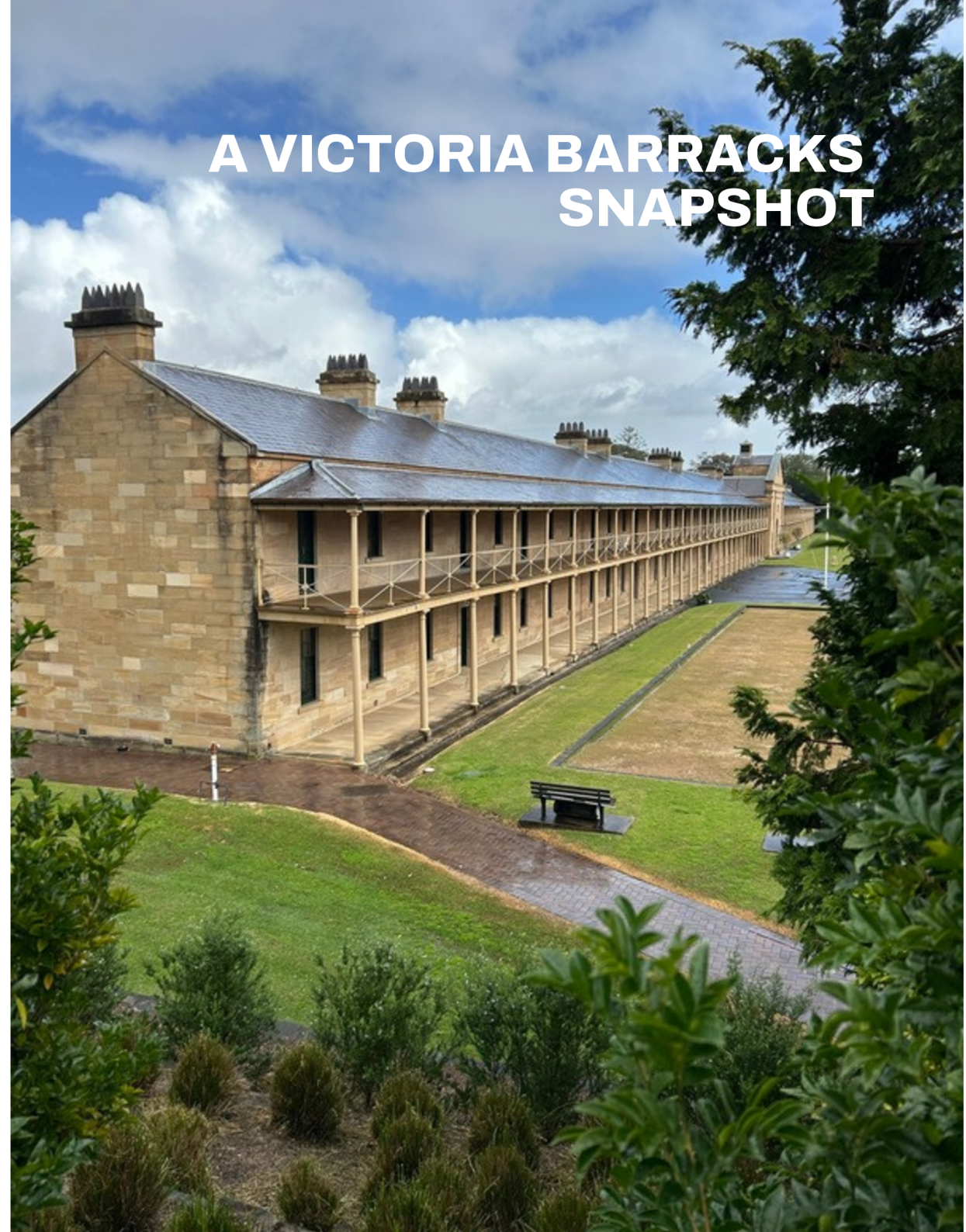
It is home to Headquarters Forces Command, 2nd Health Brigade, the Military Legal Training Centre, the Battle Lab, the Australian Army Personnel Unit Sydney, and Medical Centre.

Its CBD proximity enables rapid response to security threats, natural disasters and major public events.

Victoria Barracks' Sacred National Significance

- It is the birthplace of the Australian Army, where the first unit of the Australian Army was raised as 'A' Battery.
- It is also the site where the first NSW troops formed up, marched to Circular Quay, boarded a transport ship and ultimately landed at Gallipoli on 25 April 1915.

For these and many reasons, Victoria Barracks is a profoundly sacred site to the Australian Army and to the nation as a whole.





A LIFELINE IN THE SKY: Health System Integration

An overlooked yet critical function of Victoria Barracks is its role in supporting emergency healthcare.

Its grounds are used by St Vincent's Hospital as a helicopter landing zone for critically ill and injured patients.

This includes time-sensitive transfers for trauma care and organ transplantation.

In these situations, minutes matter.

The availability of a nearby, secure, and operationally reliable landing site directly contributes to patient outcomes. Relocating or removing this capability would introduce risk, delay, and complexity into an already high-stakes system.

This is not theoretical, it is a daily, practical function that saves lives.



ECONOMIC AND OPERATIONAL EFFICIENCY

There is also a compelling economic argument for retaining Victoria Barracks.

The Commonwealth currently spends millions of dollars annually to lease office space in Sydney's CBD such as Defence Plaza in Pitt Street.

Many of these functions could be consolidated within Victoria Barracks, delivering:

- Cost savings over time
- Greater operational cohesion
- Enhanced security and control

At a time when governments are under pressure to demonstrate fiscal discipline, selling a strategic asset while simultaneously leasing alternative space presents a clear contradiction.

A more rational approach would be to maximise the use of existing government-owned infrastructure.



THE HOUSING QUESTION:
Better Alternatives Exist

The need for increased housing supply in Sydney is real and urgent. However, solving this challenge requires scale, connectivity, and long-term planning, not isolated asset sales.

Major transport corridors such as:

- Parramatta Road
- Victoria Road
- Great Western Highway

They offer significantly greater potential for high-density, transit-oriented development.

These corridors:

- Are underutilised relative to their capacity
- Can support large-scale housing delivery
- Align with infrastructure investment and urban renewal strategies

Targeted redevelopment along these arteries could yield far greater housing outcomes than the sale of a single, constrained site such as Victoria Barracks.

In short, the housing crisis should be addressed with solutions that match its scale, not opportunistic moves that compromise critical assets.



A photograph of a stone wall and a bench in a courtyard at Victoria Barracks. The wall is made of large, light-colored stone blocks. In the foreground, a dark brown wooden bench with black metal legs sits on a grey stone-paved area. The background shows a green lawn, some plants, and a building with a white facade and a large tree.

COMMUNITY VALUE AND PUBLIC ACCESS

Victoria Barracks is not an isolated enclave.

It has long maintained a connection with the public through:

- Guided tours
- The Australian Army Museum
- Educational and community engagement programs

This access fosters understanding of Australia's military history and strengthens the relationship between Defence institutions and the broader community.

Preserving this connection is important, not only for heritage reasons, but for civic cohesion and national identity.



A STRATEGIC OPPORTUNITY: Expand - Don't Retreat

Rather than considering the sale of Victoria Barracks, there is a strong case for expanding its role.

By increasing Defence-related functions on-site, government can:

- Reinforce its operational relevance
- Eliminate ambiguity with regard to its future
- Deliver better value from an existing asset

Such an approach would align with both national security priorities and sound asset management principles.

MAJOR POLICY RECOMMENDATION

Business Sydney calls for a clear and immediate commitment from government to:

1. Rule out the sale of Victoria Barracks

2. Affirm its ongoing role

As a key Defence installation

3. Explore opportunities to expand its use

Including consolidation of CBD-based Defence functions

4. Focus housing policy efforts

On high-impact urban renewal corridors

Certainty is essential. Prolonged speculation undermines confidence, distracts from more effective policy solutions, and risks eroding public trust.



CALL TO ACTION

Cities are defined not only by what they build, but by what they choose to protect and retain.

Victoria Barracks is more than a parcel of land, it is a cornerstone of Sydney's history, a pillar of national security, a partner in life-saving healthcare, and a symbol of institutional continuity.

Once sold, it would be lost forever.

Sydney's future depends on making disciplined, strategic decisions that balance growth with preservation, and ambition with responsibility. Retaining Victoria Barracks is precisely such a decision.

Business Sydney urges the federal government to act decisively, to reject any proposal for its sale, and reaffirm its commitment to safeguarding assets that serve the nation, today and for generations to come.

ABOUT BUSINESS SYDNEY

Business Sydney is the leading voice for business in Sydney. We advocate, influence and deliver policies and outcomes to drive economic growth and create opportunities to invest, work, live and visit our city. Drawing on our 200-year heritage, we work to advance Sydney as a global, competitive and liveable city.

Our network includes leading businesses across financial and professional services, construction and development, health, education, arts and culture, tourism and hospitality, as well as technology, transport, and logistics. Through our association with Business NSW and My Business we also influence and deliver on a state and national platform.

Business Sydney can proudly trace its history to 1826 when the Sydney Chamber of Commerce was established as the first organisation of its kind in the fledgling colony. In 2006 we became the Sydney Business Chamber and now to reflect our broader reach, influence, and strength we have transformed to become Business Sydney – the voice of business in Sydney.

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