

## Veterans Minister Matt Keogh 'closely' watching \$550 War Memorial revamp

By [Karen Barlow](#)

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Minister for Veterans Affairs Matt Keogh is "closely" monitoring the controversial Australian War Memorial expansion project after its first significant cost jump to \$550 million was revealed.

As reported by *The Canberra Times* last week, [soaring construction costs have bumped up the \\$498 million price tag](#) for the nine-year revamp project by a further \$50 million. The Morrison government boosted the funding unannounced in the March budget.

On Wednesday, [the Office of the Auditor-General again listed plans](#) to audit the effectiveness of the Memorial's management of the project, including a specific look at the planning, value for money and the progress to date in delivering the project.

The huge project, which has been [the subject of criticism by architects and the community](#) over the demolition of award-winning buildings, is now beset by the rise in the cost of raw materials and labour with the budget pumped up by 10 per cent.

The building, land and cultural assets held by the Memorial are valued at over \$1.3 billion. The Minister for Veterans Affairs has told *The Canberra Times* he is watching developments. "The Australian War Memorial is an important national institution and this project will ensure our military history, and the veterans who have served our nation are acknowledged as they deserve," Matt Keogh said in a statement.

"I don't think anyone is surprised that building and material costs have skyrocketed recently not only in Australia but globally and this has flowed onto the Australian War Memorial project too.

"I have been and will continue to monitor this project closely."

Just before the election, Kerry Stokes ended his six-year role as Memorial chair after his term was extended. He was [replaced in April by former War Memorial director Brendan Nelson](#). Memorial board minutes obtained in 2019 [under Freedom of Information laws](#) by the community group Heritage Guardians, which opposes the project, show Dr Nelson "noting" that Mr Stokes had "given his personal guarantee to the Prime Minister that the Memorial would only seek \$500 million" for the project.

Questions have been raised by that group whether this indicated billionaire Mr Stokes was committing to cover additional costs. There has been no suggestion any formal agreement to this effect exists.

Rather, indications are that the "personal guarantee" represented no more than Mr Stokes' belief at the time that the redevelopment had been properly budgeted.

The Australian War Memorial now cites external pressures for the budget blow out.

*The Canberra Times* has sought an interview or comment from Mr Stokes, the chairman of media giant Seven West, but he declined with his spokesman noting he is no longer chairman.

The Australian War Memorial can't guarantee there will be no further hits to the budget.

"The early works process of excavation and design is on budget and on time. Due to the significant and unprecedented market cost variations, the former government provided \$50 million in March 2022 to manage these increases. We appreciate this support greatly," the Australian War Memorial Director, Matt Anderson said.

"These significant increases in supply costs are consistent with market movement across the entire construction and development industry. It is important to note, the scope of our works has not changed.

"The impacts of inflation and shipping continue to put pressure on construction costs. We will continue to do everything we can to value manage the project."