

Proposed facilities for the introduction into service of Land 121 vehicles at RAAF Base Amberley and Damascus Barracks, Meeandah, Queensland and at Gaza Ridge Barracks, Victoria

- 2.1 The proposed facilities for the introduction into service of Land 121 vehicles would provide for the reception of vehicles, as well as for training vehicle drivers and mechanics. The project would be delivered by the Department of Defence, and has an estimated cost of \$50.3 million.
- 2.2 The proposal was referred to the Committee on 24 November 2010.

Conduct of the inquiry

- 2.3 The inquiry was advertised in *The Australian* newspaper and submissions sought from those with a direct interest in the project. The Committee received two submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 2.4 The Committee undertook a site inspection, public hearing and an in-camera hearing on the project costs on 31 January 2011 in Brisbane.
- 2.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1: Department of Defence.

1 <www.aph.gov.au/pwc>

Need for works

- 2.6 Defence's submission states that the works are necessary because the introduction into service of the new vehicles cannot be undertaken with existing facilities. In particular, there are three necessary activities:
- Reception of vehicles will take place over a long period of time, but current facilities could not handle the volume nor vehicle size involved. Defence advised the Committee that up to 7,500 vehicles will be acquired under the Land 121 project.² In particular, hardstand and warehouse facilities are needed for receipt and inspection, minor repairs, fitout with accessories, and eventual dispatch;
 - Operator training requires classrooms, an undercover training area, inspection ramps, a vehicle compound for training vehicles and administration facilities for training staff;
 - Maintenance training requires space for vehicle inspection (including bays with cranes, and parts storage), as well as classrooms, administration facilities and amenities for staff and students.
- 2.7 Defence's submission states that its decision to centralise each of these operations on three individual sites (two in the Brisbane region and one in northeast Victoria) is supported by its own cost and risk modelling.³ During the hearing Defence submitted that it was inefficient to construct and operate a series of facilities in different regions, and that such an approach would entail the movement of staff to each new location as the rollout continued.⁴
- 2.8 As for its decision to locate the reception and operator training facilities in the Brisbane region, Defence advised the Committee that 30 per cent of both total delivery locations⁵ and prospective vehicle students⁶ are in the region. In addition, constructing the operator training facilities on RAAF Base Amberley will enable use of the existing 'safe driver training area' on the Greenbank training area, rather than building a new facility of this type.⁷

2 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 1.

3 Submission 1, Department of Defence, p. 11.

4 Mr J. Fuster, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 10.

5 Submission 1, Department of Defence, p. 11.

6 Mr J. Fuster, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 10.

7 Mr J. Fuster, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 10.

- 2.9 The decision to construct the maintenance training facility in Victoria locates it with the Army's existing training facilities for mechanical and electrical engineers.⁸ This ensures that, when the facilities are no longer used as part of the Land 121 project, they can be used for other training.
- 2.10 Both RAAF Base Amberley and Gaza Ridge Barracks also have sufficient spare capacity in living-in accommodation for the short periods during which students will undertake training.⁹
- 2.11 The Committee finds that there is a need for the proposed works.

Scope of works

- 2.12 The proposed scope of the works is detailed in Submission 1: Defence. Briefly, the project proposes three main sets of works:
- Rollout facility – Damascus Barracks, Meeandah QLD:
 - ⇒ Open-portal frame building for delivery inspection, with vehicle bays and a small office, and capacity for repair of minor faults, with tool storage;
 - ⇒ Warehouse for fitout of vehicles, including 14 vehicle bays, offices, amenities for staff and storage for parts;
 - ⇒ Vehicle hardstand area of 32,950 m², and perimeter road with roundabout to allow movement of commercial vehicles, and other base road upgrades as necessary; and
 - ⇒ New gatehouse to barracks.
 - Operator training facility – RAAF Base Amberley, QLD:
 - ⇒ Combined administration and instruction building, including two 24-student classrooms, offices and amenities for training staff and storage areas; and
 - ⇒ Vehicle compound (incl 12,896 m² hardstand) to accommodate training fleet (up to 45 vehicles) and 13 administrative support vehicles, with undercover training area and inspection ramps.
 - Maintenance training facility – Gaza Ridge Barracks, VIC:
 - ⇒ Building comprising 11 double vehicle bays with storage and cranes, two 12-person classrooms, offices and amenities.

8 Mr J. Fuster, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 10.

9 Submission 1, Defence, p. 11-12.

- 2.13 Construction is expected to commence in early 2011, and to be completed in early 2012.¹⁰
- 2.14 The Committee finds that the proposed scope of works is suitable to meet the needs of the project.

Cost of works

- 2.15 The total estimated out-turn cost for this project is \$50.3 million (excluding GST). The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with Defence on those costs.
- 2.16 The Committee is satisfied that the costings for the project provided to it are adequate.

Project issues

Land Transfer

- 2.17 The proposed site for the rollout facility, next to the existing Meeandah Barracks in Brisbane, is currently owned by the Department of Immigration and Citizenship (DIAC). According to Defence's submission, the transfer of this land (back) to the Department of Defence has been agreed, at no cost. The original submission added that the transfer would be finalised in 'December 2010'.¹¹
- 2.18 At the Committee's hearing on 31 January 2011 in Brisbane, Defence advised the Committee that it 'had not met the [December 2010] milestone' for the transfer of land.¹² Later in the same hearing, Defence spoke to advice from DIAC (received in the morning of 31 January), that the land transfer would be further delayed by unforeseen processes within DIAC.¹³

10 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 3.

11 Submission 1, Defence, p. 13.

12 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 2.

13 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 19.

- 2.19 Whilst the Committee understands that Defence has been invited by DIAC to commence works on the land as the project schedule deems necessary, regardless of whether the land transfer is complete,¹⁴ this situation could bring some uncertainty to the project. The Committee is uneasy that the opinions of crucial decision-makers in DIAC were not known by Defence until the day of the Committee's public hearing.
- 2.20 Whilst the delays in the land transfer seem not to impinge on the project schedule, it is nevertheless concerning that Defence has not met its milestone of December 2010, and is now unable to give a new date by which the land transfer will be complete.

Flooding in summer 2010-2011

- 2.21 Defence informed the Committee during its site inspection that the Meeandah Barracks site was not inundated during the flooding of Brisbane some weeks earlier. According to Defence, there remained a buffer such that a flood would need to be significantly higher to affect the land at Meeandah Barracks. Defence will also increase the site level by 300 millimetres.¹⁵ Defence stated that it is also confident that the sites at RAAF Base Amberley and Damascus Barracks are above flood levels 'as experienced'.¹⁶
- 2.22 The extensive damage to and destruction of houses and civic and commercial buildings in Queensland is expected to greatly increase demand for construction labour and supplies, particularly for the so-called 'finishes trade'.¹⁷
- 2.23 Defence, however, believes there are circumstances which will mitigate the potential delays resulting from such an extensive flood. Firstly, construction in Queensland is still less than it was in 2008, and the increased construction from government stimulus is coming to a close. Secondly, the majority of works in this proposal will have minimal need for the 'finishes trade', as most buildings are of open portal-frame

14 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 19.

15 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 12.

16 Brigadier D. Naumann, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 4.

17 Mrs B. Meszaros, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 4.

construction, and interior finishes are reserved for offices and classrooms.¹⁸

Committee comment

- 2.24 Overall, the Committee is satisfied that this project has merit in need, scope and cost.
- 2.25 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

Recommendation 1

The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: proposed facilities for the introduction into service of Land 121 vehicles at RAAF Base Amberley and Damascus Barracks, Meeandah, Queensland and at Gaza Ridge Barracks, Victoria.

18 Mrs B. Meszaros, Department of Defence, *Proof Transcript of Evidence*, 31 January 2011, p. 5.