

## **Year in Review**

- 2.1 In 2001 the Committee tabled 14 reports (one more than in 2000) even though the Committee ceased to exist on 8 October 2001, when the House of Representatives was dissolved for the general election. The Committee had also commenced preliminary work on another reference (Proposed Christmas Island common-use infrastructure items) but this reference lapsed with the dissolution of the House of Representatives). A project at Sydney Airport to enhance quarantine intervention works was exempted from scrutiny on the grounds of urgency (see paragraphs 2.115-2.120). Appendix A provides a detailed list of the reports tabled during 2001.
- 2.2 During 2001 the Committee also hosted the National Conference of Australian Parliamentary Public Works Committees on 9 and 10 August 2001. The Conference brought together parliamentarians and key staff from public works committees throughout Australia. It provided a unique opportunity to discuss issues of mutual interest and to report on activities. A detailed report is presented in Chapter 3.

## **Summary of Reports and Government Responses**

- 2.3 This section provides brief summaries of the 14 reports tabled during 2001, together with the Government's responses to each report, where appropriate.

## Remediation of Defence Land at Neutral Bay, Sydney, NSW (First Report of 2001)

- 2.4 The First Report of 2001 presented findings and recommendations in relation to the proposed environmental remediation of the former submarine base at Neutral Bay in Sydney. The site was used as a gasworks from 1876 until 1931 and it was acquired by the Commonwealth in 1942 for naval operations. In 1967 it was commissioned as HMAS *Platypus*, the eastern Australian base for the Oberon class submarines. In 1995 the site was declared surplus to requirements as the new Collins class submarines are based in Western Australia. HMAS *Platypus* was formally decommissioned in May 1999.
- 2.5 From 1995 to 2000 contamination testing of the site was undertaken in parallel with comprehensive land use planning studies. The purpose was to determine the future use of the property once it became vacant. Investigations have confirmed that the site is highly contaminated, primarily from its use as a gasworks, but remediation should minimise the possibility of future liability of the Commonwealth. Remediation will enable an auditor of contaminated land to certify that the land is suitable for the approved land use and enable it to be sold.
- 2.6 In late 1997 the Department of Defence lodged a development application with the North Sydney Council for a residential land use scheme comprising 95 dwellings and approximately 5,400 square metres of public space.
- 2.7 The North Sydney Council refused the development approval and Defence lodged an appeal with the Land and Environment Court of New South Wales which upheld the appeal in October 1998. The judgement imposed a requirement for the site to be remediated and for development to be substantially commenced before 14 October 2003.
- 2.8 The cost of the proposed works is \$16.5 million. This includes all design, site establishment and environmental controls, demolition, excavation, treatment and removal of contaminated material, backfilling and compaction of clean fill, seawall protection and management of contaminated groundwater.
- 2.9 In its report recommending that the work proceed the Committee made a number of recommendations including:
- that contamination from the adjacent Iora residential site be investigated after the former HMAS *Platypus* site is remediated;

- that Defence investigate the possibility of being compensated for any damage caused by the migration onto the former HMAS *Platypus* site of off-site contaminants, and costs associated with remediation and installation of a management system for such contaminants;
- that, in respect of future submissions relating to land remediation, Defence and other agencies provide the Committee, in the interest of public accountability and transparency, with an independent audit of the project's budget;
- that Defence consider establishing a website for the purposes of keeping the community informed of the project's status, promoting the benefits of the project and facilitating the project's implementation;
- that Defence establish a complaint-response mechanism in order that complaints concerning the proposed works can be effectively and efficiently addressed; and
- that Defence continue discussions with the New South Wales Waterways Authority as to the future of the wharf at the former HMAS *Platypus* with a view to resolving the issue as quickly as possible and provide the Committee with a report detailing its plans in respect to the future of the wharf.

## Government Response

- 2.10 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 7 March 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.11 Mr Slipper noted that the proposed works had been designed to reflect the highest environmental standards of the Commonwealth. Essential components would include: demolition of all buildings and structures, excavation, backfilling and compaction of clean fill material, treatment and disposal of contaminated material and treatment of contaminated groundwater. He indicated that Defence aimed to have the remediation works completed by December 2002.

## **Recommendations in the Tenth Report of 2000, Development of 90 Apartments in Darwin (Second Report of 2001)**

- 2.12 The Committee's Tenth Report of 2000, which was tabled in the House of Representatives on 11 October 2000, presented findings and recommendations in relation to a Defence Housing Authority (DHA) proposal to develop residential apartment towers in Darwin. In essence it was the view of the Committee that the DHA needed to do more detailed work on the proposal before the Committee could recommend that the work proceed.
- 2.13 The original DHA proposal, for the development of 90 apartments at 101 Carey Street in Darwin at a cost of \$31 million, was referred to the Committee in September 1999. Following public hearings in Darwin and Sydney, the DHA reviewed the project and amended the scope of the proposal to 95 apartments at a revised cost of \$27.5 million. The apartments would be housed in three adjacent tower blocks and include parking and a recreational area. The revised proposal was submitted to the Committee in April 2000.
- 2.14 In its Tenth Report of 2000, the Committee made a number of recommendations requiring the DHA to undertake further development work on the proposal before reporting back to the Committee. This second report of 2001 presents the Committee's findings in relation to the subsequent material provided by the DHA after the tabling of the Tenth Report of 2000. In particular, the Committee considered a detailed response and accompanying reports provided by the DHA in February 2001. It also contained a dissenting report from Senator Shayne Murphy.
- 2.15 Although the Committee approved the project, it did so with some reluctance, primarily relating to:
- the need for the work; and
  - the operation of the rental assistance program.
- 2.16 The Committee believed that these issues left unresolved the matter of the value of the work from the taxpayers' point of view. Following approval by the Committee, the DHA Board of Directors will consider whether the work should proceed. The Board of Directors will accept responsibility for the success or otherwise of the work. The Committee concluded that the Parliament should not delay the Board from its final consideration of the proposal.

- 2.17 In his dissenting report, Senator Shayne Murphy indicated that he was strongly of the view that the Parliament should not approve the proposal. He believed that, in presenting this development proposal to the Committee, the DHA failed on two counts. It failed to justify a need and it failed to demonstrate that the project represented value from a cost-effective housing point of view.
- 2.18 Senator Murphy was of the view that there are many more suitable, desirable and cost effective options available for the provision of housing in the Darwin area and, on that basis, he urged the Parliament and the Government not to approve the project.

### Government Response

- 2.19 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 29 March 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.20 Mr Slipper indicated that the Carey Street development is an element of the continuing effort of the DHA to meet the operational requirements of the Australian Defence Force in Darwin and reflects the need to replace older houses and provide wider client choice. DHA regards the provision of apartment-style accommodation in its asset mix as desirable. For many service families the apartment style of accommodation is attractive, offering amenity advantages, minimal garden upkeep or maintenance and proximity to business centres, which offered spouse employment.
- 2.21 The DHA will allocate at least 62 of the proposed 95 apartments to Defence tenants. The remainder will be either retained by the builder or sold into the private market. Completion of the works is required by the end of 2001 to meet the December 2002 posting cycle of the Australian Defence Force.

### Sixty-Fourth General Report (Third Report of 2001)

- 2.22 In accordance with Section 16 of the *Public Works Committee Act 1969* the Committee tabled its Sixth-fourth Annual Report reporting on its activities during 2000. During 2000, the Committee presented 13 reports on projects with an estimated cost of \$554.47 million.

## **Range Support Facilities Delamere Range and RAAF Base Tindal, NT (Fourth Report of 2001)**

- 2.23 The Fourth Report of 2001 was intended to inform the Parliament of a proposed public work that was referred to the Committee in 2000 but which was subsequently withdrawn by the Department of Defence.
- 2.24 On 17 August 2000, the Committee received a reference related to the Development of Range Support Facilities at Delamere Air Weapons Range and RAAF Base Tindal. When referred to the Committee, the estimated cost was \$18.5 million, but the Department of Defence submission to the Committee put the estimated cost as \$17.5 million. This figure included design and construction costs, professional fees and charges, furniture and fittings and contingency costs.
- 2.25 The purpose of the project was to provide infrastructure at the Delamere Range and RAAF Tindal to support new air training equipment. The proposed works included:
- the development of facilities at Delamere for a number of emitters, including operating sites and maintenance, and domestic facilities; and
  - the construction of a briefing, planning, maintenance and storage facility at RAAF Base Tindal.
- 2.26 The Delamere Air Weapons Range is located 220 kilometres south-west of Katherine in the Northern Territory and is the RAAF's principal live air weapons range. RAAF Base Tindal is located about 14 kilometres south of Katherine.
- 2.27 The Committee arranged a program of inspections and a public hearing for 14 and 15 November 2000 but largely because of the unavailability of suitable air transport the Committee was forced to postpone its arrangements until early in 2001.
- 2.28 On 20 December 2000, the Committee was advised by the Defence Estate Organisation that it 'no longer has the project to refer' and requested its withdrawal. The withdrawal was related to the release of the Defence White Paper on 6 December 2000 which identified that the air combat training capability could not be afforded at that time and, accordingly, the project was deferred for approximately four years.
- 2.29 The Committee was somewhat surprised by the decision not to proceed with this reference as from its point of view a significant amount of preliminary work had been completed and the Inquiry had been advertised.

- 2.30 The Committee concluded that significant time, effort and tax payers' money could have been saved if some elements of the Defence organisation had consulted more effectively with the Defence Estate Organisation prior to the proposed work being referred to the Committee.

### **Site Filling, Stabilisation and Construction of Infrastructure at the Defence Site at Ermington, New South Wales (Fifth Report of 2001)**

- 2.31 The works proposed in this reference are to take place on the site of a former Royal Australian Navy stores' depot. The proposed works involved extensive site filling, stabilisation and construction of infrastructure program.
- 2.32 The Commonwealth acquired the site in 1943 for use by the United States Army and it served as the Australian headquarters of the United States Army supply service during the Second World War. Between 1945 and 1947 the site was occupied by the Australian Army and from 1947 to 1990 the site was occupied by the Royal Australian Navy. The Navy used the site as a depot for heavy equipment and machinery used to repair ships at Garden Island. In 1990 the site was declared surplus to Defence requirements.
- 2.33 From 1990 to 1996 the site was used for private motor vehicle storage and from 1996 to 1998 was vacant. Following decommissioning in 1998, the site was remediated of contaminated soils and remained vacant.
- 2.34 The Commonwealth undertook environmental characterisation studies throughout 1996 and 1997 resulting in a remediation action plan, which identified the scope and cost of remediation works. These works were completed in July 1999 at a cost of \$1.795 million and the site certified by an accredited auditor for future residential use.
- 2.35 To optimise the revenue return from the future sale of the site Defence proposes undertaking a range of site preparation works which will reduce uncertainties perceived by prospective purchasers and increase the range of sale options.
- 2.36 The Committee recommended that the works proceed at an estimated cost of \$31.6 million. This includes all design, site establishment and environmental controls, excavation, removal of contaminated material, backfilling and compaction of clean fill, seawall protection and management of groundwater.

- 2.37 In its report the Committee commented favourably on the extensive community consultation process undertaken in relation to the Ermington project. The Committee believes that this will facilitate the implementation of the project and minimise community disturbance.

### **Government Response**

- 2.38 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 24 May 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.39 Mr Slipper commented that in 1996, as part of its disposal planning, the Department of Defence initiated a proposal to change the land use of the site to one that permitted a range of residential uses. The New South Wales planning minister gazetted the new residential zoning in 1998 permitting development of up to 700 dwellings.

### **Commonwealth Law Courts, Adelaide SA (Sixth Report of 2001)**

- 2.40 The Sixth Report of 2001 reported on the proposal to construct new Commonwealth Law Courts in Adelaide to provide purpose-built accommodation for the High Court, Federal Court, Family Court and the Federal Magistrates Service. The net area of the proposed building is 12,208 square metres compared to 7,714 square metres presently occupied by the Courts.
- 2.41 The building design provides for flexibility in court operations and the increasing use of new technologies. All parts of the building will be accessible to the four jurisdictions. This allows courtrooms to be shared as workload requirements and availability dictates.
- 2.42 When referred to the Committee the estimated cost was \$73.7 million. However prior to the public hearing the Committee was advised that the cost had increased by \$2.9 million to \$76.6 million. The original figure of \$73.7 million was based on a completion date of December 2002 and the increase of \$2.9 million would provide for indexation to December 2003 the revised completion date.
- 2.43 The Committee recommended the project proceed subject to the Department of Finance and Administration ensuring ongoing



consultations in relation to heritage and access matters with the Australian Heritage Commission and the Adelaide City Council.

## **Government Response**

- 2.44 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 28 June 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.45 Mr Slipper indicated that the proposal would replace leased accommodation that does not adequately provide for the operational and growth requirements of the courts. In addition, the level of security achievable does not provide acceptable protection for judges, staff and the public.

## **Fitout of new Central Office building for the Department of Immigration and Multicultural Affairs, Belconnen, ACT (Seventh Report of 2001)**

- 2.46 The Seventh Report of 2001 reported on the proposed fitout of new central office accommodation for the Department of Immigration and Multicultural Affairs (DIMA) at Belconnen, ACT.
- 2.47 The central office of DIMA has been housed in the Benjamin Offices complex at Belconnen since the mid-1970s. In February 2000, the Commonwealth sold the Benjamin Offices complex to Benjamin Nominees, a local Canberra business consortium. At the time of the sale, DIMA occupied approximately 26,000 square metres of the complex.
- 2.48 The Benjamin Offices complex has inherent limitations with its layout and serious shortcomings with services, including the airconditioning plant. Benjamin Nominees put forward a proposal for a new building complex to be constructed adjacent to, and on the footprint of, part of the existing Benjamin office building. The offer included a proposal for an integrated fitout to be funded by DIMA at a net cost of \$16.22 million.
- 2.49 In recommending that the works proceed, the Committee made the following recommendations:
- that in future the referring agency obtain all necessary development approvals before referral; and
  - that DIMA take appropriate action to ensure that the fitout will comply in all respects with the disabled access requirements of the Building

Code of Australia, Australian Standard 1428, 1993 Design for Access and Mobility, and the *Disability Discrimination Act 1992*.

### **Government Response**

- 2.50 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 28 June 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.51 Mr Slipper indicated that the proposal will have a significant impact on the Belconnen Town Centre as it will provide for further regeneration of the town centre, create short-term employment opportunities and boost economic activity into the future. It is estimated that the construction work force would fluctuate between 100 and 300 workers during the construction of phases 1 and 2 of the project.

### **Lavarack Barracks Redevelopment Stage 3, Townsville, (Eight Report of 2001)**

- 2.52 The Eight Report of 2001 presented findings and recommendations in relation to the proposal to undertake stage 3 of the redevelopment of Lavarack Barracks near Townsville. Lavarack Barracks is the base of the Army's 3<sup>rd</sup> Brigade which is part of the Ready Deployment Force. It also houses a Training Precinct and a number of units and elements that provide support to Defence and Army in North Queensland.
- 2.53 Stage 3 of the redevelopment will start the process to replace the working accommodation for 3<sup>rd</sup> Brigade, other land command force elements, training command units and area facilities at Lavarack Barracks. In addition, it will provide for the future relocation of the 11<sup>th</sup> Brigade, currently located at Jezzine Barracks, which are also in Townsville.
- 2.54 The proposed facilities will include office accommodation; training facilities; storage facilities; communication facilities and site wide civil engineering and services infrastructure works.
- 2.55 The infrastructure that will be enhanced to support the stage 3 proposal will include water supply; power supply; communication cabling and roadworks.
- 2.56 The Committee was asked to consider the proposal at a capped budget of \$170 million. However Defence advised the Committee that the current estimate for the scheduled work is \$230 million. With a budget limited to

\$170 million Defence proposes during the value management phase of the project to find savings so that it can deliver more of the scope of the total package within the budget limit. The Committee is concerned that Defence did not present it with a cost estimate incorporating anticipated savings which could increase the scope of the work to be undertaken.

- 2.57 While the Committee recommended that the works proceed there were a number of issues of concern. It was the view of the Committee that many of the buildings which were constructed more than 30 years ago have reached the end of their functional life. Many of the facilities are clearly inadequate for current operational needs. The Committee concluded that the proposed works would enhance the overall effectiveness of the 3<sup>rd</sup> Brigade.
- 2.58 The option of refurbishing or replacing facilities at Lavarack Barracks was pivotal to this Inquiry and to the Committee's recommendation as to whether or not the project should proceed at a cost of \$170 million.
- 2.59 The Committee was surprised that Defence should claim, without providing the Committee with detailed supporting evidence at the beginning of the Inquiry, that replacement of facilities is a more cost effective option than refurbishment. Defence substantiated its claim following the public hearing.
- 2.60 The Committee believes that the provision of appropriate supporting evidence goes to the heart of determining value for money, which is a fundamental requirement of the Committee's work. The Committee therefore urges all proposing agencies to ensure that convincing supporting information is made available at the commencement of an Inquiry.
- 2.61 The Committee noted that Defence proposed a scope of work, which had an estimated cost of \$230 million when it had a capped budget of only \$170 million. While the Committee commended Defence for attempting to achieve savings in order to complete a larger scale of work, it also commented that Defence would be unable to complete the scope of work approved by the Committee if savings were not found.
- 2.62 It was the view of the Committee that it would have been more appropriate for Defence to present for approval a scope of work which could reasonably be achieved within the limits of the allocated funding and to identify areas where opportunities for some rationalisation and sharing could be exploited.
- 2.63 The Committee also made a number of recommendations to ensure the provision of the most efficient energy management measures, continuing

consultation with Environment Australia regarding environmental issues and the continuation of ongoing consultations regarding heritage, environment and safety matters.

### **Government Response**

- 2.64 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 29 June 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.65 Mr Slipper indicated that the proposed development would enhance the overall effectiveness of the 3<sup>rd</sup> Brigade and other Lavarack Barracks based units, improve morale by providing working accommodation to contemporary standards and alleviate occupational health and safety standards. Construction will start in early 2002 with completion by late 2005.

### **RAAF Base Townsville Redevelopment Stage 2, Townsville, Queensland (Ninth Report of 2001)**

- 2.66 The ninth report of 2001 reported on the stage 2 redevelopment of RAAF Townsville which is one of a chain of airfields maintained for defence and surveillance of the northern areas of Australia. Its primary role is to serve as a deployment base for combat aircraft during a contingency and as an airhead for 3<sup>rd</sup> Brigade, the major land component of the Ready Deployment Force.
- 2.67 Stage 2 comprised the following components:
- air movements facilities;
  - transit accommodation;
  - combined messing facilities;
  - dangerous goods compound;
  - main base entrance (including associated security facilities)
  - physical fitness complex;
  - replacing/upgrading engineering services; and
  - demolition.

- 2.68 At the time of referral the out-turn cost of the project was \$72.5 million which was also the 'capped budget' for the project. However the current estimate for the works scheduled in the project is \$83 million. Defence advised the Committee that opportunities existed for some rationalisation and sharing and these would be exploited to maximise the scope of the project within the cost cap of \$72.5 million.
- 2.69 Defence indicated that should the required savings not be achieved, and depending on the Defence budget, the potential existed to access additional money from the capital facilities budget if required to complete the work. The Committee will be advised if this occurs.
- 2.70 The Committee recommended that the proposal proceed subject to compliance with greenhouse, environmental and heritage provisions.
- 2.71 However, the Committee also raised an issue relating to staged projects such as this one. The Committee was concerned about the method of scoping and costing staged Defence projects. In particular the movement of proposed facilities, even if identified as priority works, between the various development stages, in order not to exceed the budget cap. The Committee recommended that Defence, in order to minimise any confusion in future staged developments, should provide for each an overview of the entire development. This will enable the Committee to determine the relationship between individual stages of the broad development and its scope.

### **Government Response**

- 2.72 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 25 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.73 In commending the project to the House, Mr Slipper indicated that the stage 2 proposal is necessary to enable RAAF Base Townsville to perform its role in an efficient and cost-effective manner. Construction is scheduled to commence early in 2002 with completion scheduled for late 2004.

### **Redevelopment of the Army Aviation Centre Oakey, Queensland (Tenth Report of 2001)**

- 2.74 The Tenth Report of 2001 presented findings and recommendations in relation to the proposal to redevelop the Army Aviation Centre at Oakey

in Queensland. The proposal encompasses the upgrade of facilities for the Army Aviation Training Centre, including facilities for the introduction of the armed reconnaissance helicopter and the Army component of the Australian Defence Force Helicopter School.

2.75 The works include:

- the redevelopment of the Army Aviation Training Centre;
- the construction of facilities to support the flying training and maintenance necessary for the introduction of the armed reconnaissance helicopter;
- the provision of facilities for the relocation of the Army component of the ADF Helicopter School from Canberra to Oakey;
- the refurbishment of helicopter maintenance facilities;
- the rationalisation of all ranks messing, and the rationalisation of permanent and student living-in accommodation, requiring a mix of refurbishment and new construction;
- the construction of a new Emergency Response Station and an associated fire training area;
- the construction of a new civil aviation terminal;
- the upgrade of engineering and support infrastructure as necessary; and
- demolition as necessary.

2.76 The budgeted out-turn cost of the project is \$76.2 million while the estimated out-turn cost is \$78.5 million. Defence is confident that the project can be delivered within the budgeted figure of \$76.2 million as it will refine the details of the scope of works through value management studies during the further development of the designs for each facility.

2.77 In recommending that the project proceed, the Committee made the following recommendations:

- that Defence continue to consult with the Australian Heritage Commission regarding heritage issues and, as part of this process, ensure procedures to protect sites of both cultural and ecological significance are agreed to between Defence and the Australian Heritage Commission;
- that Defence ensure energy efficiency and the possible use of alternative energy sources are key objectives in the design and delivery of Defence facilities projects; and

- that Defence continue to consult with the Jondaryan Shire Council regarding the design of the new civil terminal, the location and standard of road access to the propose terminal and the adequacy of water supply and sewage treatment at the Army Aviation Centre.

## Government Response

- 2.78 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 25 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.
- 2.79 Mr Slipper indicated that Defence agrees with the recommendations of the Committee. Works associated with the arrival of the new armed reconnaissance helicopters are due for completion by July 2003 with the remainder of the works to be completed by mid-2004.

## **New Freight and Passenger Facilities at Rumah Baru on West Island, Cocos (Keeling) Islands, (Eleventh Report of 2001)**

- 2.80 The Eleventh Report 2001 reported on a proposal to provide new freight handling and passenger transfer facilities on the Cocos (Keeling) Islands to meet many of the logistical and environmental problems of the current system.
- 2.81 The Department of Transport and Regional Services (DoTRS) proposes to construct an Offshore Island, approximately 200 metres from the shoreline at Rumah Baru on the eastern side of West Island, which would be connected to the shore by an access bridge. The island would be linked to deeper water in the lagoon by a dredged channel of approximately 400 metres in length.
- 2.82 Freight containers would be unloaded from supply ships and towed directly to the Offshore Island. Containers would be unloaded and transported by vehicles around West Island without the requirement for containers to be de-stuffed to reduce their weight due to stability problems on the barge. Freight destined for Home Island would be ferried across the lagoon by barge. Ferries would berth at the Offshore Island to transfer passengers.
- 2.83 The Committee concluded that it would be more cost effective to complete the project at \$16 million as a single stage project, with the advantage of

having the facilities operational in a shorter time frame. The estimated cost of completing the project in two phases was \$18 million.

### **Government Response**

2.84 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 27 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.

### **Redevelopment of residential areas at Royal Military College, Duntroon, Australian Capital Territory, Twelfth Report of 2001**

2.85 The Twelfth Report of 2001 reported on the redevelopment of residential areas at Royal Military College, Duntroon, Australian Capital Territory by the Defence Housing Authority (DHA). The project will provide 100 on-base residencies at Duntroon to meet the operational needs of the Australian Defence Force and the requirement of the Department of Defence.

2.86 The project will involve redeveloping the Duntroon 'village' to provide 100 modern residences. Construction will require removal of 31 sub-standard houses and the use of 28 already vacant lots from which inferior housing has previously been removed. Houses with heritage significance are not affected.

2.87 As part of the development, DHA proposes to undertake improvements to hydraulic, electrical, gas and telephone services as well as water pollution control. Improvements to roadways will also be undertaken.

2.88 DHA advised the Committee that an informal survey of staff revealed that 'a very decent proportion' prefer to live on-base in modern accommodation. DHA also advised that on-base accommodation has always been in high demand. The problem has been a lack of supply.

2.89 The demand for Defence housing in Canberra by June 2002 is expected to be 1,744 and to remain at that level for a number of years. As at 30 June 2001, dwellings managed by DHA in Canberra comprised 1,367 properties. DHA meets the remainder of Defence's needs by using privately arranged short-term leased accommodation combined with the payment of rental allowances.



- 2.90 DHA considers a number of options in meeting Defence's accommodation requirements:
- direct purchase off-base with a view to retaining or selling properties on a lease-back arrangements;
  - construction off-base with a view to retaining the properties or selling them on a lease-back arrangement;
  - direct leases from the private rental market; or
  - construction on-base.
- 2.91 The Committee was satisfied on the evidence presented that redevelopment at Duntroon is a cost-effective option and would provide Defence personnel and their families a secure suburban environment within five kilometres of the centre of Canberra.
- 2.92 The estimated cost of the project is \$23 million. DHA noted that the final costs would be determined through a competitive tendering process. A financial analysis confirmed that the proposed project was possible within a budget of \$23 million.
- 2.93 While the Committee recommended that the project proceed, it has in previous reports questioned DHA on the need for constructing on-base dwellings in the knowledge that they could not be sold on the open market to offset future developments. The Committee continues to have this concern. However, in the case of RMC Duntroon, the Committee took into account its long history and role as the training centre for Australian Army officers as well as those from other countries.
- 2.94 The Committee recommended that in future submissions from DHA include:
- surveys of the views of personnel and their families about the desirability or otherwise of living on-base;
  - a cost comparison of on-base accommodation with similar accommodation off-base; and
  - an analysis of the projected future viability of the base, including its accommodation requirements.
- 2.95 The Committee also recommended that projects to include a detailed comparative cost analysis between the various forms of energy management, including solar energy, and that consultation take place with the Australian Greenhouse Office regarding the most appropriate and effective methods of minimising energy consumption.

- 2.96 The Committee also made a number of recommendations regarding the need for ongoing consultations with the Australian Heritage Commission, the Australian Capital Territory Heritage Unit and the representatives of the Indigenous people regarding heritage matters relating to the development.

### **Government Response**

- 2.97 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 27 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.

### **Defence Intelligence Training Centre at Canungra, Queensland, (Thirteenth Report of 2001)**

- 2.98 The Committee's thirteenth Report of 2001 relates to a proposal for the redevelopment of the Defence Intelligence Training Centre at Canungra, Queensland. The proposed facility will accommodate the headquarters, administration, instruction and course development elements of the Defence Intelligence Training Centre. The Centre provides individual intelligence training and education to meet the needs of the Defence intelligence community.
- 2.99 A new purposed-designed Defence Intelligence Training Centre will provide security, functional, planning and operational advantages and enhance training efficiency in meeting the intelligence requirements of the Australian Defence Force.
- 2.100 The proposed facility will accommodate 95 members of staff and a maximum of about 160 trainees on any one day plus a small number of visiting lecturers.

The proposal contains the following elements:

- Defence Intelligence Training Centre;
  - remote facilities; and
  - upgrading of existing living-in accommodation.
- 2.101 When referred to the Committee the cost of the project was \$17.4 million. However, Defence advised that this cost did not allow for escalation. When escalation is allowed for, the estimated cost will be \$17.745 million.

- 2.102 Subject to Parliamentary approval, construction will commence in early 2002 with completion scheduled for June 2003.
- 2.103 In recommending that the project proceed the Committee made a number of recommendations:
- that Defence continue to consult with the Australian Heritage Commission regarding heritage issues and ensure that sites of both cultural and ecological significance are protected;
  - that Defence continue to consult with the Australian Greenhouse Office on the application of the Commonwealth's energy policies to Defence capital works projects; and
  - that Defence establish as a matter of urgency an environmental advisory committee for the Canungra Close Training Area to provide a forum at which local environmental issues can be discussed.

### Government Response

- 2.104 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 27 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.

## **Redevelopment of Residential Areas at Enoggera, Queensland (Fourteenth Report of 2001)**

- 2.105 The Fourteenth Report of 2001 reported on a proposal by the Defence Housing Authority (DHA) to construct 66 detached residences on a site adjacent to the Gallipoli Barracks, Enoggera, Brisbane, Queensland. At the time of referral the number of residences proposed was 69, but this was reduced to 66 due to an increase in the area allocated for a community park following discussions with the Brisbane City Council and representations from local residents. The location of a stormwater drain in the area was also taken into account.
- 2.106 The DHA employs a number of methods to meet the housing needs of the Australian Defence Force:
- construction off-base with a view to retaining the properties or selling them with a lease attached;

- construction on-base to accord with Defence operational or policy requirements and/or if such construction is the most cost-effective for all concerned;
- direct purchase with a view to retaining the properties or selling them with a lease attached; and
- direct purchase from the private rental market.

In the case of Enoggera, where there is a high level of demand, the option of constructing off-base was considered by the DHA to be the most effective means of partially meeting Defence housing requirements in Brisbane, as plans can be geared to Defence requirements.

- 2.107 In addition, construction on the Enoggera site has advantages to Defence personnel due to the close proximity of Gallipoli Barracks, the availability of schools, shopping facilities and public transport networks.
- 2.108 The estimated cost of the proposed works when referred to the Committee was \$15.8 million including construction costs, civil works, headworks charges, contingency and professional fees.
- 2.109 Following the reduction in the number of residencies from 69 to 66 the cost was reduced to \$15.3 million.
- 2.110 The Committee was advised that a survey of the site had indicated the existence of elevated concentrations of arsenic in the soil. The DHA's consultants had prepared a report on the site survey and this had been sent to the Queensland Environmental Protection Agency (QEPA) for assessment and comment.
- 2.111 The consultants had recommended in their report that:
- the natural soil and rock at the site be left in-situ given that the arsenic concentration appear to be naturally occurring;
  - it would be unwise to cause undue disturbance of the soil, particularly during construction, unless adequate management measures are taken; and
  - it would be prudent for future land owners to be advised of the presence of elevated concentrations of arsenic in the natural soil to minimise the potential for adverse human health impacts via excess soil ingestion or use of home grown fruit and vegetables.
- 2.112 Should the QEPA issue an adverse finding regarding the site and list it on the Environmental Management Register, the DHA will advise its Board not to give its approval for the proposed works to proceed.

- 2.113 In recommending that the works proceed the Committee noted that no construction work should be undertaken until the site had been assessed by the QEPA. In addition, the Committee recommended that the works should not proceed if the QEPA determines that the site should be listed on the Environmental Management Register. The Committee further recommended that, should the works proceed, future land owners and occupiers of the site be advised of the presence of elevated concentrations of contaminants in the soil and the potential for adverse effects on human health.

### Government Response

- 2.114 The Government responded to the Committee's report by way of a motion, for the works to proceed, moved in the House of Representatives on 27 September 2001, by the Hon Peter Slipper MP, the Parliamentary Secretary to the Minister for Finance and Administration.

## **Enhanced quarantine intervention works at Sydney airport exempted on urgency grounds**

- 2.115 In May 2001, the Government announced a \$595 million package of quarantine measures designed to strengthen Australia's quarantine borders against the possible incursion of exotic pests and diseases such as foot and mouth disease (FMD).
- 2.116 A large part of this package relates directly to improving the rates of quarantine intervention and effectiveness at Australia's international airports. A provisional amount of \$19.4 million was foreshadowed in the 2001/02 Budget to undertake structural work at airports to facilitate the increased intervention. This work, which will take place at all of Australia's international gateway airports, involves:
- modification of existing terminal facilities for the processing of passengers and luggage to allow increased physical inspection and x-ray screening of passenger luggage; and
  - provision and fitout of additional operational and office space for AQIS and ACS officers, equipment and dog teams.
- 2.117 Completing infrastructure changes to Sydney Airport, where, by mid March 2002, almost half of all inbound passengers arrive, is on the critical path to achieving the goal the Government has set for reducing quarantine

risk. The estimated cost of infrastructure works at Sydney Airport is \$8.5 million.

- 2.118 On 20 September 2001, the Committee was briefed on the need for the works to be exempted from its scrutiny because it would be impossible for the Committee to examine and report on the project in the life of the 39<sup>th</sup> Parliament. Officers from the Department of Transport and Regional Services, the Australian Quarantine Inspection Service (AQIS) and the Australian Customs Service (ACS) undertook the briefing.
- 2.119 As a result of the briefing the Committee agreed that the project should be exempted from its scrutiny on the grounds of urgency.
- 2.120 On 27 September 2001, the House of Representatives, in accordance with section 18 (8) of the *Public Works Committee Act* 1969, resolved that, due to their urgent nature, the works to enhance quarantine intervention at Sydney airport be carried out without being referred to the Committee.