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Department of Defence
Defence Support Group

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Ms Janelle Saffin MP
Chair
Parliamentary Standing Committee on Public Works
Parliament House
CANBERRA ACT 2600

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| Submission No. 1.2  (LAND 17) Date: 18/01/2012 |
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Dear Ms Saffin

**PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS - LAND 17
PHASE 1A INFRASTRUCTURE PROJECT – QUESTIONS ON NOTICE**

The Parliamentary Standing Committee on Public Works (PWC) public hearing for the Land 17 Phase 1A Infrastructure Project was held on 7th December 2011. During the hearing due to time constraints two questions were taken on notice. Responses to these questions are provided below.

Question 1 – Details of Community Consultations

Following the recommendations made in PWC Report 07/2009 dated 23 November 2009 on the Enhanced Land Force Stage 2 project, Defence has increased the level of consultation undertaken during the development of capital works projects.

In the case of the Land 17 Phase 1A Infrastructure Project (“the Project”), Defence has consulted with all Federal, State and municipal representatives holding office in all areas affected by the Project, with the exception of:

- a) the Victoria State Member for Seymour, Ms Cindy McLeish; and
- b) the former South Australia State Member for Ramsay, Mr Mike Rann.

Due to the schedules of these members, Defence was unable to arrange a face to face briefing to discuss the Project. However, Defence did write formally to these members, providing a summary of the Project and referring them to the PWC website to obtain a copy of the Defence Statement of Evidence for the Project. No project specific concerns were raised at any of these briefing sessions.

Recognising that a significant amount of construction work is already underway at Gallipoli Barracks, Enoggera, Queensland, under the Enhanced Land Force Stage 2B project, and the effect of that work on the local community adjoining Gallipoli Barracks, a more detailed community consultation approach was undertaken. In addition to meetings with elected representatives as discussed above, a project information pamphlet was distributed to local residents. The pamphlet was distributed on 27 October 2011 via letter box drop to 1,332

individual houses in the neighbouring suburbs of Gaythorne, Mitchelton and Enoggera. A copy of the pamphlet is provided at Attachment A for your information.

Along with other information, the project information pamphlet detailed the purpose of the works, the proposed construction working hours, and the proposed management plans for construction traffic, aimed at minimising the disruption to local residents. The pamphlet also advised of a planned project community information session to be held on Saturday, 5 November 2011, at Gallipoli Barracks to provide further information on the project to the public. The community information session was also advertised in the *Brisbane Courier Mail* and *The Australian* newspapers on 22 October 2010.

The community information session was held as advertised between 0900hrs and 1030hrs on the day, at the Gallipoli Barracks Contractor's Pass Office on Lloyd Street, Enoggera. Although widely advertised, only six members of the public attended, including Mr and Mrs Harbeck, who live on Ardentallen Road, near the main entrance to the Barracks.

At that meeting, no specific concerns regarding the Project were raised by those members of the public in attendance, however the issue of traffic 'rat running' through suburban streets was identified as a concern. The issue was acknowledged and noted by the project team as one of broader application than just this specific project. I have today written to you separately on this issue as a follow up to the evidence provided on the matter during the recent public hearing for the Project and would emphasise that consultations are continuing with local authorities and residents.

In the case of the other Land 17 sites, no community information sessions were undertaken as the scope of works at those sites was minimal and confined to areas well within base perimeters with no impact on the surrounding communities.

Defence takes seriously its obligation to consult with Federal and State Members of Parliament, local councillors and members of the public, regarding proposed works on Defence bases and has implemented processes to ensure such consultation occurs as required.

A table detailing consultation activities undertaken for this Project is included at Attachment B for your reference.

Question 2 – Impact on Small and Medium Enterprises

During the conduct of the public hearing, Senator Boyce sought advice on how Defence measures the positive economic impact of its projects on Small and Medium Enterprises (SMEs).

Generally, Defence infrastructure projects are delivered by either a Head Contract or Managing Contract arrangement. Under both of these arrangements, a 'prime' contractor engaged by Defence has the responsibility to manage a portfolio of smaller sub-contracts including consultants, material suppliers and specialist trade sub-contractors (such as plumbing, plastering and concreting), to undertake the contracted works.

Under the Head Contract delivery method, which is the intended delivery method for this Project, Defence engages one contractor who carries responsibility for the subsequent sub-contracting of consultants, suppliers and construction trades. Although Defence is not directly involved in the selection of these sub-contractors, we do request significant detail in regard to proposed sub-contractors during the tender stage. We can then follow through with

this after contract award to capture data from the Head Contractor relating to sub-contracts let, including the number of sub-contracts awarded to SMEs and local firms.

Comparisons can be drawn from other Defence works undertaken in similar locations to gain an indication of likely impacts. For example, the Enhanced Land Force Stage 2B (ELF 2B) project currently under construction at Gallipoli Barracks is being delivered under Managing Contractor arrangements. Although the value of trade work on the ELF 2B project is substantially higher than that proposed for this Project, the requirement for sub-contract trades in similar disciplines is evident. A review of the sub-contracting arrangements on the ELF 2B project reveals that 32 of the 51 subcontracts were awarded to SMEs. This reflects approximately 50% of the trade value of all sub-contracts let on the ELF 2B project.

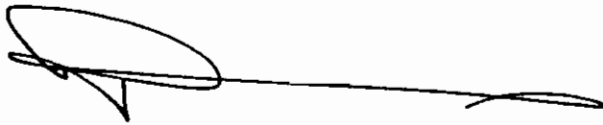
The works proposed under this Project are very similar to a number of elements currently in delivery at Gallipoli Barracks. Hence it is anticipated that similar opportunities for SMEs will exist under the proposed Project, noting that:

- a) the practice of the Australian construction industry is to sub-contract specialist consultants, suppliers and trades; and
- b) the value of the works proposed, particularly in the regional centres (\$2 - 4 million), is more attractive and cost effective if locally based SMEs are engaged.

I trust this information will clarify the two questions on notice.

Please contact me if further information or clarification is required.

Yours sincerely,



D.S. Naumann
Brigadier
Director General
Infrastructure Asset Development Branch

18 January 2012

Attachments:

- A. LAND 17 Phase 1A Pamphlet
- B. Summary of LAND17 Phase 1A Consultation

LAND 17 PHASE 1A INFRASTRUCTURE PAMPHLET



GALLIPOLI BARRACKS



The new "M777A2" Artillery Gun

Under the LAND 17 Phase 1A Project, the Department of Defence is introducing a new artillery gun (the "M777A2") to help ensure Australia retains a modern military force to protect its national interests. Up to 12 of these new guns will be based at Gallipoli Barracks, Enoggera, with the 1st Regiment, Royal Australian Artillery (1 Regt). Whilst the new guns will be stored and maintained at Enoggera by 1 Regt, there will be no live firing training conducted at the Barracks.

The existing 1 Regt buildings do not meet spatial or security requirements for the new guns and the LAND 17 Phase 1A Project will be delivering three new buildings within the Barracks to address this issue. The proposed works will include:

- A new Gun Hangar for the M777A2.
- A new Vehicle Shelter for the vehicles used to tow the M777A2.
- A new administrative facility (for offices and training purposes) for the Army personnel operating the M777A2.

Construction is expected to commence in June 2012 for completion by July 2013.

Effects on the Local Community

The LAND 17 Phase 1A works taking place at Gallipoli Barracks will create local employment opportunities for a wide variety of building trades under Defence's policy of procuring local contractors wherever possible. A local design team is currently engaged to provide building plans in order to gain Parliamentary Approval for the project.

Any increase in traffic in the local area is expected to be minimal in the long term as the actual number of guns held by 1 Regt will be reduced. In the short term, construction traffic will be managed with routes established so that any disruption to local neighbourhoods will be minimised. Construction working hours will be limited to Brisbane City Council approved hours (6am to 6pm, Monday to Saturday). The construction site is located well within the Gallipoli Barracks boundaries so construction activities will not cause any disruption (for example noise or dust) to local residents.



Streets eye view of the new administrative facility - an Artists Impression

The Department of Defence is acutely aware of the current high level of construction taking place at Gallipoli Barracks under the Enhanced Land Force Stage 2B Project. Compared to this extremely large project, the LAND 17 Phase 1A works are very small in scale and have been planned to take place when the Enhanced Land Force works will be significantly reducing in intensity. Local residents should notice very little effect due to these works. It is estimated that the construction traffic generated by the works will be less than 3% of the total traffic currently entering and exiting the Barracks.

Environmental & Heritage Effects

Independent heritage and environmental studies of the construction area have been commissioned by Defence with no issues raised. The site is a developed area of Gallipoli Barracks so no clearing of bushland is required and the buildings to be demolished to make way for the new facilities have no heritage significance.



1 Regt precinct within Gallipoli Barracks

Further Information

A LAND 17 Phase 1A Project community information session will be held at the Gallipoli Barracks Contractor's Pass Office (Lloyd Street) on Saturday 5th November 2011 from 9am to 10.30am. Project staff will be available to provide further details of the works.

POINT OF CONTACT

The Department of Defence community representative for the LAND 17 Phase 1A Project is Mr Andrew Campbell of the Defence Support Group.
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The new "M777A2" Artillery Gun

CONSULTATION WITH FEDERAL, STATE AND LOCAL MEMBERS AND MEMBERS OF THE PUBLIC

| Consultation with Federal Members | | | |
|--|---|----------------------------|-----------------------------------|
| Electorate | State/ Territory | Members Name | Date & location |
| Indi | VIC | Mrs Sophie Mirabella | 3 Nov 2011 (Bandiana) |
| McEwen | VIC | Mr Rob Mitchell | 3 Nov 2011 (Puckapunyal) |
| Solomon | NT | Mrs Natasha Griggs | 3 Nov 2011 (Robertson) |
| Wakefield | SA | Mr Nick Champion | 3 Nov 2011 (Edinburgh) |
| Herbert | QLD | Mr Ewen Jones | 24 Nov 2011 (Lavarack) |
| Ryan | QLD | Mrs Jane Prentice | 1 Dec 2011 (Gallipoli) |
| State & Territory Members | | | |
| Burdekin | QLD | Mrs Rosemary Menkins | 25 Oct 2011 (Lavarack) |
| Nelson | NT | Mr Gerry Wood | 13 Oct 2011 (Robertson) |
| Benambra | VIC | Mr Bill Tilley | 17 Nov 2011 (Bandiana) |
| Ashgrove | QLD | Ms Kate Jones | 18 Nov 2011 (Gallipoli) |
| Consultation with Local Councils | | | |
| Townsville | QLD | Mayor, Mr Les Tyrell | 11 October 2011 (Lavarack) |
| Litchfield | NT | President, Mrs Mary Walshe | 13 October 2011 (Robertson) |
| Playford | SA | | 16 November 2011 (Edinburgh) |
| Salisbury | SA | | 16 November (Edinburgh) |
| Michell | VIC | | 17 November 2011 (Puckapunyal) |
| Wodonga | VIC | | 17 November 2011 (Bandiana) |
| Brisbane | QLD | | 18 November 2011 (Gallipoli) |
| Consultation with Community Members / Public Consultation | | | |
| Date | Details | | |
| 27 October 2011 | Letterbox drop of information pamphlet to 1332 houses in neighboring suburbs of Mitchelton, Gaythorne and Enoggera. | | |
| 5 November 2011 | Public Information Session, held at Gallipoli Barracks, Enoggera. | | |