

LAND 121 – Unit Sustainment Facilities Project

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to conduct works at a number of Australian Defence Force (ADF) units around Australia to provide new and upgraded facilities to support the introduction, operation and deployment of the ADF's new vehicle fleet.
- 2.2 LAND 121 is a multi-phased project providing the ADF with approximately 7500 high-capability field vehicles, modules and trailers. The key phases of the project to achieve this are:
1. Phase 3A will provide a fleet of lightweight and light vehicles and trailers.
 2. Phase 3B will acquire medium and heavy vehicles, together with associated modules.
 3. Phase 4 will provide Protected Mobility Vehicles - Light (PMV-L) with companion trailers for command, liaison, utility and reconnaissance roles.¹
- 2.3 The primary objective of the project is to provide the infrastructure necessary to maintain the new fleet of vehicles.²
- 2.4 The estimated cost of the project is \$276.5 million, excluding GST.
- 2.5 The project was referred to the Committee on 16 September 2015.

Conduct of the inquiry

- 2.6 Following referral, the inquiry was publicised on the Committee's website and via media release.

1 Defence, submission 1, p. 3.

2 Defence, submission 1, p. 13.

- 2.7 The Committee received one submission, two supplementary submissions and two confidential submissions regarding the project costs from Defence and one submission from the Gallipoli Precinct Action Group (GPAG). A list of submissions can be found at Appendix A.
- 2.8 The Committee received a briefing from Defence and conducted public and in-camera hearings in Canberra on 27 November 2015. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.³

Need for the works

- 2.9 The vehicles provided under LAND 121 will deliver a networked and integrated capability as part of modernisation of the ADF. They represent a significant increase in capability, replacing multiple vehicle fleets that have been in service since the early 1980s. The functionality and level of protection against current threat offered by the existing fleet is well past its useful life. The current aging fleet also incurs a maintenance liability with the continued decrease in spare parts availability.⁴
- 2.10 At the public hearing, Defence stated that approximately 7500 protected and unprotected vehicles providing battlefield mobility, logistic support and tactical training are proposed to be procured under the complete Land 121 project.⁵
- 2.11 At the public hearing, the Committee queried if there was a compromise on the distance that can be travelled by the vehicles as a result of the improved protection or the inclusion of more sophisticated communications systems. Defence responded that there is no compromise on the distance to which the vehicles will travel. Colonel Palmer from Defence described the key benefits of the LAND 121 vehicles:

There are clear benefits of these new vehicles, mainly around the protection afforded by the vehicles – protection from things such as IED threats, small arms and other blast threats – such as RPG [rocket-propelled grenade] protection for the vehicles. The other key benefits were the communication systems. This better network thing is about providing our soldiers with situational awareness on the battlefield so that they have a better feel for how to deal with the threats or the threat forces that they are combating on that battlefield. The other clear benefits to the vehicles are the environmental compliance and that vehicles are safer than the

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

4 Defence, submission 1, p. 3

5 Brigadier Noel Beutel, Defence, transcript of evidence, 27 November 2015, p. 7.

legacy fleet vehicles. That has been proven in a number of incidences we have had to date, even here in training in Australia. All of our soldiers have walked away from vehicle accidents to date.⁶

- 2.12 The new vehicles will be larger and heavier than the ones they are replacing. In many instances, existing facilities will not be able to support the new fleet.⁷
- 2.13 Suitable infrastructure is therefore required for a number of ADF units around Australia, including:
- Lavarack Barracks, Queensland
 - Gallipoli Barracks, Queensland
 - Royal Australian Air Force (RAAF) Base Williamtown, New South Wales
 - Holsworthy Barracks, New South Wales
 - Puckapunyal Military Area, Victoria
 - Campbell Barracks, Western Australia
 - RAAF Base Edinburgh, South Australia
 - Robertson Barracks, Northern Territory.⁸
- 2.14 The Committee is satisfied that the need for the work exists.

Options considered

- 2.15 After identifying which facilities were required at which locations, Defence investigated various delivery approaches including shared facilities, non-facility solutions, adaptive reuse of existing facilities and the construction of new facilities at the proposed sites.⁹
- 2.16 Defence has chosen to provide new and adaptively reuse existing facilities. Construction of new vehicle shelters was considered only where existing facilities do not exist, or cannot be practically modified to suit the new vehicle types.¹⁰
- 2.17 At the public hearing, Defence explained that non-facility solutions referred to a 'do nothing' scenario. Brigadier Beutel outlined the three primary options considered by Defence if a facility solution is required:

6 Colonel Palmer, Defence, transcript of evidence, 27 November 2015, p. 8.

7 Defence, submission 1, p. 4.

8 Defence, submission 1, pp. 5-6.

9 Defence, submission 1, p. 8.

10 Defence, submission 1, p. 13.

Again, in our development we always tend to look at three primary options if a facility solution is actually required – I am not counting a commercial type arrangement or a leasing arrangement. Within a built solution we look at a 'do nothing'. So we look at the existing facilities to see whether or not those existing facilities are safe, compliant and fit for purpose. If they are not any of those then the next stage we look at, as far as the facilities are concerned, is: can we adaptively re-use or refurbish the facility the meet safety requirements, compliance requirements, or fitness for purpose requirements? If that is not possible, what then comes next is looking to demolish existing – what we call a brownfield construction – and to build new or to look to build a new construction on a greenfield site.¹¹

- 2.18 Further, Defence noted that not all bases will require all new facilities with the introduction of the new vehicles. An example is Robertson Barracks, where current facilities were designed and developed for the Army's heavy brigade and the Northern Territory climate. Therefore, even though Robertson Barracks will receive a number of vehicles under LAND 121, there is minimum requirement for new facilities.¹²
- 2.19 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable options taking into account specific needs at each location.

Scope of the works

- 2.20 The scope of this project covers:
- Maintenance Facilities - New or refurbished vehicle maintenance workshops and associated spare parts storage facilities that would contribute to improve vehicle availability and be capable of maintaining the new larger vehicles
 - Support Facilities - Upgraded or new facilities to support efficient vehicle operations and legislative compliance for road operations, including weighbridges, vehicle wash points, Petroleum, Oil and Lubricants (POL) and Adblue (a fuel additive required to meet the Euro5 emission standards) delivery points, loading and inspection ramps and internal base road upgrades
 - Sustainment Facilities – Facilities designed to reduce wear and tear and increase the effective life of the vehicles i.e. shelters and hardstands¹³

11 Brigadier Noel Beutel, Defence, transcript of evidence, 27 November 2015, p. 8.

12 Brigadier Noel Beutel, Defence, transcript of evidence, 27 November 2015, p. 8.

13 Defence, submission 1, pp. 4-5.

2.21 Defence has separated the works into eight project elements:

- *Project Element 1 – Lavarack Barracks*
A new combined maintenance and storage facility will be shared between two units. It will also include working accommodation. This will also replace two outdated and separated facilities. Some roads and parking areas will be upgraded to accommodate the new LAND 121 vehicles. Facilities will also be provided to meet legislative requirements
- *Project Element 2 – Gallipoli Barracks*
The current centralised maintenance facility, including working accommodation, will be replaced. Facilities will also be provided to meet legislative requirements
- *Project Element 3 – RAAF Base Williamtown*
Works include a new maintenance facility that will support units at RAAF Base Williamtown, as well provisions to meet legislative requirements
- *Project Element 4 – Holsworthy Barracks*
A weighbridge will be provided to support Sydney-based units in meeting legislative compliance
- *Project Element 5 – Puckapunyal Military Area*
Works will include facilities to meet legislative requirements
- *Project Element 6 – RAAF Base Edinburgh*
A new maintenance facility is required to support units at RAAF Base Edinburgh, as well provisions to meet legislative requirements
- *Project Element 7 – Campbell Barracks*
Works will comprise a fuelling point, weighbridge, wash point and loading ramp to support LAND 121 vehicles
- *Project Element 8 – Robertson Barracks*
Works will include a weighbridge to assist Darwin based units in meeting legislative compliance¹⁴

2.22 The following 'below the line' scope items have been approved by Government, pending available funds:

- *Puckapunyal Military Area* - works will comprise new shelters, hard standing, and inspection ramps to improve the training environment for soldiers on the LAND 121 vehicles
- *RAAF Base Darwin* - a hardstand is required for the 114 Mobile Control and Reporting Unit¹⁵

14 Defence, submission 1, pp. 7-8.

- 2.23 Subject to Parliamentary approval, construction is expected to commence in March 2016, with staged completion of facilities occurring between late 2016 and late 2019.¹⁶
- 2.24 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Community consultation and concerns

- 2.25 Defence provided an outline of the nature and extent of community consultations undertaken as part of the LAND 121 project. Broadly, the strategy for community consultation adopted by Defence was undertaken with the following objectives:
- ensuring that the public was informed about the project using cost effective, wide ranging communication channels
 - ensuring the public had every opportunity to raise issues of concern or seek further information¹⁷
- 2.26 Defence concluded that no significant issues were identified during its community consultations that would impact on the proposed works, and was satisfied that it had taken all reasonable steps to inform the community about the project and to provide opportunities for the community to raise concerns.¹⁸
- 2.27 At the public hearing, Mrs Harbeck, President of the GPAG, a local action group from the vicinity of the precincts at Gallipoli Barracks, Enoggera, raised concerns regarding traffic management, community consultation with Defence, and the security of Defence personnel and others.¹⁹
- 2.28 Mrs Harbeck and other community representatives attended the public consultation session with Defence on the LAND 121 project in October 2015. Mrs Harbeck commented that Defence representatives at the session assisted community members and provided information regarding the project.²⁰ However, irrespective of Defence's consultation Mrs Harbeck asserted that she has had unsatisfactory experiences over a number of

15 Defence, submission 1, p. 8. Brigadier Noel Beutel, Defence, transcript of evidence, 27 November 2015, p. 8.

16 Defence, submission 1, p. 24. Brigadier Noel Beutel, Defence, transcript of evidence, 27 November 2015, p. 7.

17 Defence, submission 1.3, p. 1.

18 Defence, submission 1.3, p. 2.

19 Mrs Mary Harbeck, GPAG, transcript of evidence, 27 November 2015, pp. 1-5.

20 Mrs Mary Harbeck, GPAG, transcript of evidence, 27 November 2015, p. 1.

years with Defence operations at Gallipoli Barracks, including ongoing traffic management issues around the base at Enoggera.²¹

- 2.29 On traffic management, Brigadier Beutel responded to GPAG's concerns with previous projects at the public hearing:

I can understand some of the concerns and issues with the traffic management, because it [Enhanced Land Force 2 Bravo project] was such a lengthy project over multiple fronts at the project site. I note that at that stage, when we started the project, there were only three main entries into the base, so there would definitely have been traffic concerns and traffic control problems. That is acknowledged. ...

With the traffic management, the reason that we can always do better is that we never get anything 100 per cent right. We always look to ensure that we take those lessons learnt from our previous approaches going forward. I am very cognisant of that. The managing contractor is very cognisant of that. The project manager and contract administrator is very cognisant of that, and those traffic management plans, which are ultimately finalised by the M[anaging] C[ontractor] but cleared by Defence for operationalisation or execution, will ensure that we are looking to meet those issues.²²

- 2.30 Defence advised that prior to commencing construction on any proposed works, the Managing Contractor for the project is required to prepare, for Defence approval, site specific Traffic Management Plans. Defence stated:

As part of the process to finalise the Traffic Management Plan for Gallipoli Barracks, meetings with local community members and known action groups, including the Gallipoli Precinct Action Group will be arranged. This meeting will allow community members to understand the proposed traffic measures and provide feedback to Defence. Defence will then consider any such feedback, and wherever possible, implement appropriate suggestions to minimise the impact of construction traffic on the local community.²³

- 2.31 Further, Defence stated that a quarterly meeting will be established for the duration of the proposed works at Gallipoli Barracks to provide local community members with regular updates on the construction work and opportunities to provide direct feedback to Defence on any other project

21 Mrs Mary Harbeck, GPAG, transcript of evidence, 27 November 2015, pp. 1-5.

22 Brigadier Beutel, Defence, transcript of evidence, 27 November 2015, p. 11.

23 Defence, submission 1.4, p. 2.

related issues. The project will maintain the 'email inbox' for community members to make contact at any time with the project team on issues relating to the project.²⁴

- 2.32 Following queries at the public hearing from the Committee regarding ongoing consultation with community groups around Gallipoli Barracks, Defence advised:

On the matter of regular consultation with community groups from an ongoing Base perspective, Commander 7 Brigade has advised me that as the Senior Australian Defence Force Officer for Gallipoli Barracks, he and/or his staff in consultation and engagement with the Estate and Infrastructure Group's Base Support Manager, do regularly consult with and respond to concerns from the community, including local action groups. However despite such efforts, Defence notes that it may not be possible to resolve all issues to the satisfaction of all community member and / or local action groups.²⁵

Environmental considerations

- 2.33 An Initial Environmental Review (IER) for the proposed works was prepared in 2014. The IER determined that environmental risks associated with this project were minor and could be managed through site-specific Construction Environmental Management Plans (CEMP).²⁶
- 2.34 Defence advised that the CEMPs are being developed now as part of the planning phase. Following parliamentary approval, the contractor will be engaged to go forward into delivery phase and those CEMPs will be finalised.²⁷
- 2.35 At the public hearing, the Committee noted that site-specific plans have not yet been developed. The Committee commented that, especially considering risks associated with RAAF Base Williamtown (see Chapter 2), it is difficult to assess environmental risks and mitigation strategies without this information.
- 2.36 Defence advised that contamination investigations had been conducted at all proposed sites for the LAND 121 project. Low levels of trace elements of contamination were found at some sites and were classified as at a minimal level. Defence further advised the LAND 121 project in relation to contamination issues at RAAF Base Williamtown:

24 Defence, submission 1.4, p. 2.

25 Defence, submission 1.4, p. 2.

26 Defence, submission 1, p. 9.

27 Brigadier Beutel, Defence, transcript of evidence, 27 November 2015, p. 10.

The proposed works for Williamstown under Land 121 are nowhere near the three bores that Hunter Water have there. It is an existing brownfield area. Again, we are looking to extend an existing workshop for this. We are not looking to do any major earthworks, hence we have not experienced any groundwater in our investigations. Because it is an existing facility we are tying into existing infrastructure for that. But we will confirm whether there has been any discussion with Hunter Water or concerns. If there has not been, the reason is not that we have been ignoring them; it is the fact there was no requirement for that because of the proposed scope of works under this project, which is very different to the proposed scope of works for AIR5431.²⁸

Cost of the works

- 2.37 The estimated cost of the project is \$276.5 million, excluding GST.
- 2.38 At the public hearing, the Committee queried the expected life span of the infrastructure works compared to the expected life of the new vehicles. Colonel Palmer stated that most of the new fleet vehicles will have a 15-year life, however, the life of these vehicles could be extended. Defence expected the infrastructure lifespan would extend well past the extended life of the new vehicles.²⁹
- 2.39 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.
- 2.40 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating, the Committee makes no comment in relation to this matter.

Committee comments

- 2.41 The Committee notes issues surrounding community consultation and environment.
- 2.42 The Committee notes the nature and extent of Defence's consultations with local groups and State and Federal parliamentarians on the LAND 121 project, including the community consultation sessions, which the GPAG acknowledged.

28 Brigadier Beutel, Defence, transcript of evidence, 27 November 2015, p. 16. The AIR5431 Phases 2 and 3 Air Traffic Management and Control System Facilities and Australian Defence Force Air Traffic Control Complex Infrastructure project was referred to the Committee in September 2015, however the Committee has yet to report on this referral.

29 Brigadier Beutel and Colonel Palmer, Defence, transcript of evidence, 27 November 2015, p. 9.

- 2.43 However, Defence's initial submission did not mention local action groups, such as GPAG, as key stakeholders for consultation regarding works at Gallipoli Barracks. This does not assist to convince the Committee that genuine consultation has occurred in the past.
- 2.44 The Committee considers that known community groups, such as GPAG, should be involved more in consultation during the planning and development phases of Defence projects, including with traffic management plans. This consultation should continue throughout the delivery of the project and beyond.
- 2.45 The Committee is encouraged by Defence's undertakings to:
- consult with community members, including GPAG, on the development of traffic management plans
 - hold quarterly meetings with local community groups for the duration of the proposed works at Gallipoli Barracks to discuss any project related issue
 - maintain the 'email-box' for community members to make contact at any time with the project team
- 2.46 Defence acknowledged the concerns and issues with traffic management experienced by GPAG and the Committee notes Defence stated it would look take lessons from previous approaches to traffic management and consultation with GPAG.
- 2.47 The Committee requires that Defence report back to the Committee on the effectiveness of its consultation strategies with community groups around Gallipoli Barracks.

Recommendation 1

- 2.48 **The Committee requires that the Department of Defence report back to the Committee after six months of tabling this report on the effectiveness of its consultation strategies with community groups around Gallipoli Barracks, including:**
- **the type of consultations undertaken**
 - **lessons and improvements to engagement with community groups**
 - **issues raised during consultation and Defence's response**
 - **the effectiveness of quarterly consultative meetings and the project team's email-box**

- 2.49 On environment, Defence has assessed that environment risks associated with this project as minor and manageable through the development of site-specific CEMPs. Defence assured the Committee that it has no information that would suggest any increase to the risks that have been assessed for this project.
- 2.50 The Committee would like to be kept advised of the development of the detailed CEMPs and any increases in environmental risks not initially found in the IER.

Recommendation 2

- 2.51 **The Committee requires that the Department of Defence advise the Committee on the development of the site-specific Construction Environment Management Plans for the LAND 121 project, including any increase in environmental risks found during the Initial Environmental Review.**
- 2.52 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 2.53 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

Recommendation 3

- 2.54 **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: LAND 121 - Unit Sustainment Facilities Project.**
- 2.55 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

